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**Willingness to Pay . . .**

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when they are written through the MARINE OFFICE OF AMERICA**



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**ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE**

**N.A.M.I.A. ANNUAL CONVENTION**

**THURSDAY, OCTOBER 20, 1955**

## REPORT ON STATE FARM / Agency Force



**SERVING AN AUTO POLICY HOLDER**, Glen Dittus visits a local garage to inspect damages and authorize repairs. This is part of his job under State Farm's "personal touch" claims handling system. It is also a valuable opportunity to cement good will with his insured (an important consideration when you also sell life and fire insurance.)

**SELLING THREE TYPES OF INSURANCE** under State Farm's "multiple line" plan keeps Glen Dittus and his able assistant (wife "Sandy," above) on a busy schedule. Although he had no sales experience before joining State Farm in 1947 . . . although his career was interrupted by a recall to military service during the Korean conflict . . . Dittus qualified for the company's "Leaders' Club" in 1953 and 1954. He also graduated from Purdue University's Life Insurance Marketing Institute.

## NEW KIND OF INSURANCE MAN

**GLEN DITTUS OF MAYWOOD, ILLINOIS, TYPIFIES THE YOUNG MEN WHO ARE BUILDING LIFETIME CAREERS WITH STATE FARM**

Most of the men who have entered State Farm's Career Agent Program have much in common with Glen Dittus of Maywood.

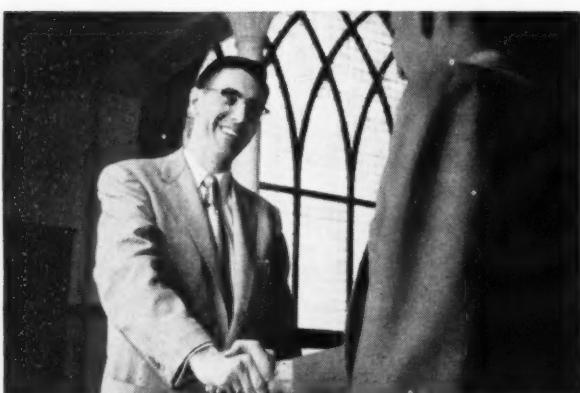
They're independent businessmen who sell all three State Farm lines—auto, life and fire—under a contractual arrangement with the company.

They earn substantial incomes. (State Farm Career Agents with at least one year of service averaged \$9,300.00 per year in 1954.)

They're active in the social, business and civic life of their communities.

Though many of them have had previous insurance experience, they're all eligible for one of the industry's most complete training programs. (More than 6,000 State Farm agents are now participating in classroom, workshop and on-the-job instruction.)

**It's the ever-increasing skill and growing number of professional State Farm Career Men—like Glen Dittus—which accounts for much of the State Farm Companies' success . . . and for the fact that State Farm Mutual insures more cars than any other company in the world.**



**SERVING HIS COMMUNITY**, Dittus devotes time to his duties as Elder of the First Presbyterian Church. He also serves on the Citizens' Committee of Proviso Township High School, as baritone soloist and board member of the Suburban Veterans Chorus, as sponsor and first baseman of a 12-inch softball team (which just won a local championship). A Rotarian, he recently completed a term on his local club's Board.

*This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois. If you want to know more about any aspect of State Farm operations, simply write: "Director of Public Relations."*



# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 42  
October 20, 1955

## Buxton to NAMIC Presidency; Other Mutual Groups Elect

### Set Attendance Record in Five Days of Joint Sessions and Top Speakers

ST. LOUIS—John A. Buxton, chairman of Federated Mutual Implement & Hardware of Minnesota, was elected president of National Assn. of Mutual Insurance Companies at the close of its five-day annual convention here. He succeeds John C. Stapel, president Farmers Mutual Hail of Missouri.

Meeting during the same week were Federation of Mutual Fire Insurance Companies and American Mutual Alliance Advertising-Sales Conference as well as Conference of Mutual Casualty Companies and four other affiliated groups of NAMIC.

R. M. Stanton, secretary Capital District Grange Cooperative Fire of New York, was elected NAMIC vice-president and I. G. Saltmarsh, president Indiana Lumermens, was re-elected treasurer. H. P. Cooper Jr., vice-president Indiana Farmers Mutual, was reappointed secretary.

Elected to the board were C. B. FunderBurk, secretary-treasurer Cotton States Mutual of Georgia; Vernon H. Vawter, secretary Santa Barbara County Farmers Mutual Fire of California; Carl M. Russell, president Meridian Mutual of Indianapolis; Nelson M. Knowlton, president Holyoke Mutual Fire of Salem, and Raymond P. Spang, secretary Countrymen's Mutual Fire of Pennsylvania.

Registration for the NAMIC convention was more than 1,300—setting a new record.

The first general session of the various groups featured an address by Secretary of Agriculture Benson who said that whenever private insurance enters the field of all-risk crop insurance and makes it generally available, the government should retire from this field. Mr. Benson's talk was reported in last week's issue.

Other speakers at the morning session were Superintendent Leggett of Missouri and Mr. Stapel.

At another general session that afternoon, Warren A. King, insurance manager *Life* magazine, discussed the changing American market.

Following the general session, the various groups conducted separate meetings.

The Federation opened its convention with an address by President Gary H. Kamper, president Badger Mutual. Mr. Kamper's speech is reported in this issue.

Mr. Kamper was reelected president of the Federation and O. Edward Ringquist, vice-president Liberty Mutual Fire, was reelected vice-president. Other association officers renamed were treasurer H. G. Kemper, president

## UM Cover in N. Y. Rings Bell for Attention Getting

NEW YORK—Probably nothing that has been done heretofore by insurers writing automobile business has attracted the countrywide attention of newspapers, legislators, and others as has the uninsured motorist cover put into effect in this state Oct. 5. The extent and variety of this effect apparently has surprised even those in the business who worked on the problem of developing the coverage and those who have been concerned with compulsory automobile insurance developments over the years.

In general the reaction has been favorable. Even when the expression involved a complaint that another state did not have the coverage, the coverage itself was presented as a positive effort to meet a bad situation and the insurance business was given at least an E for effort. There are exceptions to this expression of general approval, the most notable being in New York City, where in particular the *Times*, *Herald Tribune* and *World Telegram* have pursued a pro-compulsory editorial policy for a long time and where their news treatment of uninsured motorist cover follows this editorial line.

The editorial of the *Richmond News Leader* is typical: "The action just taken by automobile insurance companies in New York represents an interesting effort to solve a difficult problem in liability insurance . . . Calling attention to the full medical

(CONTINUED ON PAGE 44)

## Associated Indemnity Offers Full Cover Auto Discount in Ill.

Associated Indemnity of the American Automobile group, which has been writing mostly workmen's compensation in Illinois, has begun notifying its agents of the introduction of automobile full coverage in that state at rates 12½% off National Bureau for BI and PDL and 17½% off NAUA for physical damage. Commissions are 15% across the board.

The company says its agents have been requesting a competitive tool with which to meet the rates of mutuals and direct writers. Under the Associated Indemnity plan the agents have the option of offering the new bureau standard form at lower rates under the direct writers. Under the Associated Indemnity plan the agents have the option to pay semi-annually, use the 40-30-30 payment plan, or pay annually. So far, the company says, agents have received the plan enthusiastically.

It is expected the plan will be introduced in other states shortly.

The agent can use the Associated plan or put the business in American Auto, which offers a broader policy at bureau rates. Claim service for either plan is the same.

There is a great deal of interest in this plan because there has been no auto BI or PDL rate change in Illinois since 1951. The bureau is, and has been for some time, having hearings with the department in an effort to get rates adjusted in line with experience.

## Late News Bulletins . . .

### Downstate Agents Pledge to Push UM Cover

New York State Assn. of Insurance Agents, at its regional meeting in Garden City, pledged in a resolution to make the new uninsured motorist coverage work. Insurers were urged to follow up initial advertising announcing the new endorsement with more advertising to clarify the coverage and acquaint editors of the state with the benefits of the coverage.

The resolution came after a talk by Arthur L. Schwab of Staten Island, president of the association, who stepped in to discuss compulsory insurance when Joseph A. Neumann of Jamaica, past president of NAIA, was prevented from attending by the floods in New England. Superintendent Holz also spoke on the new endorsement, terming it a method of materially closing the gap in the problem of the uninsured motorist accident and a step in the right direction. He said the department expects to have similar coverage against uninsured motorists available for non-motorists before the legislature reconvenes in January.

### Mass. Okays Homeowners for Others

The Massachusetts department has approved the filing of homeowners rates and forms by Multiple Peril Insurance Rating Organization for use by other insurers, effective Sept. 19. The department had taken some time to study the use of the Empiro promulgation by non-Empiro insurers.

### \$1 Million Coffee Firm Loss in Alabama

Fire destroyed Donovan Coffee Co. plant in Birmingham, Ala., with an insurance loss estimated at \$1 million. The fire was believed started by a match or cigarette. The heat from the fire was so intense that hot smoke seeping through a fire wall seriously damaged heavy stock and equipment of Pizitz department store in a next door warehouse.

## Combined A&H Trade Assn. About to Become a Reality

### Neal To Head Staff; Faulkner Slated to Be First President

Organization of the much heralded combined accident and health insurance trade association has begun with the selection of Robert R. Neal, counsel at Washington for Bureau of A&H Underwriters and H&A Underwriters Conference, as executive head of Health Insurance Assn. of America.

Appointment of Mr. Neal was made by the prospective board of directors of Health Assn. who were nominated by the Joint Committee on Health Insurance at its meeting last week in Chicago. E. J. Faulkner, president of Woodmen Accident & Life and one of the most prominent leaders in the A&H business, was nominated to become first president of the association.

The nominating committee, a special committee of the organizing committee of Joint Committee on Health Insurance, proposed in addition to Mr. Faulkner:

For vice-president, J. Henry Smith, Equitable Society; secretary, William R. Shands, Life of Virginia; public relations chairman, Frank S. Vandebrouk, Monarch Life.

The directors would be Reinhard A. Hohaus, Metropolitan Life; J. W. Scherr Jr., Inter-Ocean; V. J. Skutt, Mutual Benefit H. & A.; George N. Watson, Crown Life of Canada; Edwin W. Craig, National Life & Accident; Harry J. Stewart, West Coast Life; Frank L. Harrington, Massachusetts Protective; Moses G. Hubbard, Commercial Travelers Mutual Accident of Utica; Armand Sommer, Continental Casualty; Travis T. Wallace, Great American Reserve; Millard Bartels, Travelers; Leslie P. Hemry, American Mutual Liability; J. C. Higdon, Business Men's Assurance; C. H. Tookey, Occidental Life of California, and R. J. Wetterlund, Washington National.

After the organizing committee has accepted applications for membership from a majority of the present members of the conference and the bureau, there will be a formal election of new officers of Health Insurance Assn. of America.

At the Chicago meeting, the Joint Committee on Health Insurance also approved reports of the membership, planning and finance committees. The membership committee expects to mail a brochure describing the new organization.

(CONTINUED ON PAGE 44)

## Wisconsin Agents Reelect Batenburg and Other Officers

**Speakers Urge Postponement  
of UM Cover, Revision  
of Rate Filing Statutes**

By C. L. MANNING

MILWAUKEE—The passage of an agents' qualification bill and other legislative activities during the past year were cited as the most important achievements of Wisconsin Assn. of Insurance Agents by President John J. Batenburg of Racine in his annual report at the association's three-day convention here.

The registration figure of some 550 showed a marked increase in the number of agents in attendance and a decrease in company men.

The agents expressed confidence in their present officers by unanimously reelecting Mr. Batenburg president; Arthur R. Moss of Beloit, vice-president; Phil J. Hausmann of Madison, secretary-treasurer, and George A. Timm of Kenosha, state national director.

Mr. Timm was also named chairman of the board. Newly-elected to the board were Richard C. Burdick of Milwaukee and Robert McKenna of Green Bay, while members reelected were Robert D. Buttenhoff of Eau Claire, William A. Gottsacker of Sheboygan, Robert Petri of Fond du Lac and Matthew P. Zendian of Milwaukee.

Mr. Batenburg outlined what a trade

association means to agents and how they can get their money's worth out of it. He said the association had worked on a bill for taxing of domestic mutual companies, which he hoped would be passed in the next session of the legislature. "This is one of the activities of the association which will not put money in the agent's pocket," he said, "but it will keep mutual companies from enjoying a tax advantage." He said the association had succeeded in having a substitute bill passed for replacement insurance on dwellings and having a bill removed from the statutes which required a signed note for 60-day accounts.

"These activities have contributed to the stature and influence of the association and have made it a potential legislative force," he said. Mr. Batenburg said the association next year will strive for a bill to limit state fund insurance to property owned by the state and not other public properties.

Among the other advantages he discussed were educational opportunities, group action on a state and national level and an exchange of ideas with other members of the profession.

Theodore M. Gray Sr., executive secretary, keynoted the convention with his "Laying It on the Line" address at the Monday night meeting of local board officers.

"On a simple test of dollars at the local level," he said, "the insurance organizations are not meeting other trade associations in competing for public attention." He cited a report on trade association activities by the U. S. Chamber of Commerce which pointed out that in a survey of 58 local trade asso-

**John Rygel, vice-president of Hanover Fire, died at New York city Wednesday.**

ciations, 29 of them were in the \$25,000 to \$50,000 income bracket. "This game is not for peanuts," he said, "and if we are going to defend our position in the public eye, we must have adequate finances on the local level."

He praised the Kenosha board for its excellent public relations program. He pointed out that the Kenosha association had received the cooperation of many civic and fraternal groups in their S-D day program, illustrating that one of the public relations functions of the local board is to act as a catalyst in pulling together community activities so that efforts of the insurance industry are magnified.

Daniel R. Blount, director of sales training for International Shoe Co. of St. Louis, opened Tuesday's general session with an inspirational address on success. "You must get men to believe in their own potential," he said, "because only if they are properly motivated toward the things they want, will they make their own blueprint for success."

Thomas Harman, P. J. Perry & Co. of Seattle and a member of NAIA's casualty committee, predicted that "the National Bureau will become ineffective unless it begins handling automobile problems on a territorial basis." He said local problems must be met find a national, standardized solution. "The bureau's desire for standardization is a weakness since the standard becomes that of the least progressive member company," he said. He outlined some of the accomplishments of the committee and praised uninsured motorist cover as a solution to the problem of compulsory auto insurance. He said merit-rating plans are desir-

(CONTINUED ON PAGE 44)

## Northeast Cyclone Loss May Run as High as \$7 Million

**Area Hit in August Is Hit  
Again; Many EC Claims,  
Auto and Boats Damaged**

The extra tropical cyclone which hit the northeast Oct. 14-16 has been designated catastrophe No. 65 by National Board and will produce, according to estimates, about \$5,250,000 of extended coverage losses, about 4,000 automobile losses for more than \$1 million, some floater losses—personal property, dealers and processors—which will take two or three weeks for even a preliminary estimate, and quite a few boat losses at Norwalk and Stamford, Conn., where river mouths are used by many for anchorage.

Insurers may get out of this occurrence for \$7 million or less. The three days of torrential rain, which represented six to 10 inches in the affected areas, was accompanied by heavy wind that frequently rose to 60 miles an hour gusts. Hardest hit again, as it was in August, was Connecticut, though the most savagely battered districts were not the same as in August. In the storm last week end it was Danbury, Norwalk and Stamford which were clobbered, with flood waters rippling through a business and industrial section of Norwalk and destroying everything in its path. The Hartford area got a lot of water but not so much destruction—the principal effect was in Fairfield county in the southwest corner of the state. Lower New York state was heavily hit, and sections of New Jersey, Pennsylvania, Massachusetts and Rhode Island suffered some damage. The overall destruction was said to be substantially less than Connie-Diane.

There will be about 75,000 claims of all classes—EC, automobile, boat and inland marine—as a result of the cyclone.

The EC losses, however, will be small, and many of the automobile losses will be partial. Not so many processing plants were hit as in August, and though many stores and business firms were under water, it is not likely that there will be as many dealer and other floaters involved. There will be losses on some shops handling merchandise on consignment.

The figures on Connie-Diane now stand at about 120,000 EC and automobile losses for a total of \$12 million to \$14 million and almost 20,000 floater and IM losses of all kinds, large and small, for more than \$5 million. The over-all loss still looks like \$20 million, not counting fire losses which were directly attributed to the floods or which occurred during the floods, probably another \$5 million.

The latest cyclone damage is not expected to hit reinsurers too heavily, certainly not on EC, though there will be some catastrophe covers tapped for automobile and possibly inland marine. After Hurricanes Carol and Hazel last year some of the large auto physical damage insurers whose catastrophe cover contracts were up for renewal had to increase retentions, in one case from \$25,000 to \$100,000, and the rates went up. After Connie-Diane and the latest blow they are expected to go up again, at least in rate.

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For Brokers • Agents • Companies

## FIA Man Talks in Texas

F. C. Corcoran, field manager at Houston for Factory Association, explained the relations of FIA to local agencies at a joint meeting of Alamo Field Club and San Antonio Insurance Exchange.



## UNDER 32,018 HATS LIKE THESE . . .

are the skills, professional knowledge, and personal services that constitute the vital extra values policyholders receive from members of the National Association of Insurance Agents.

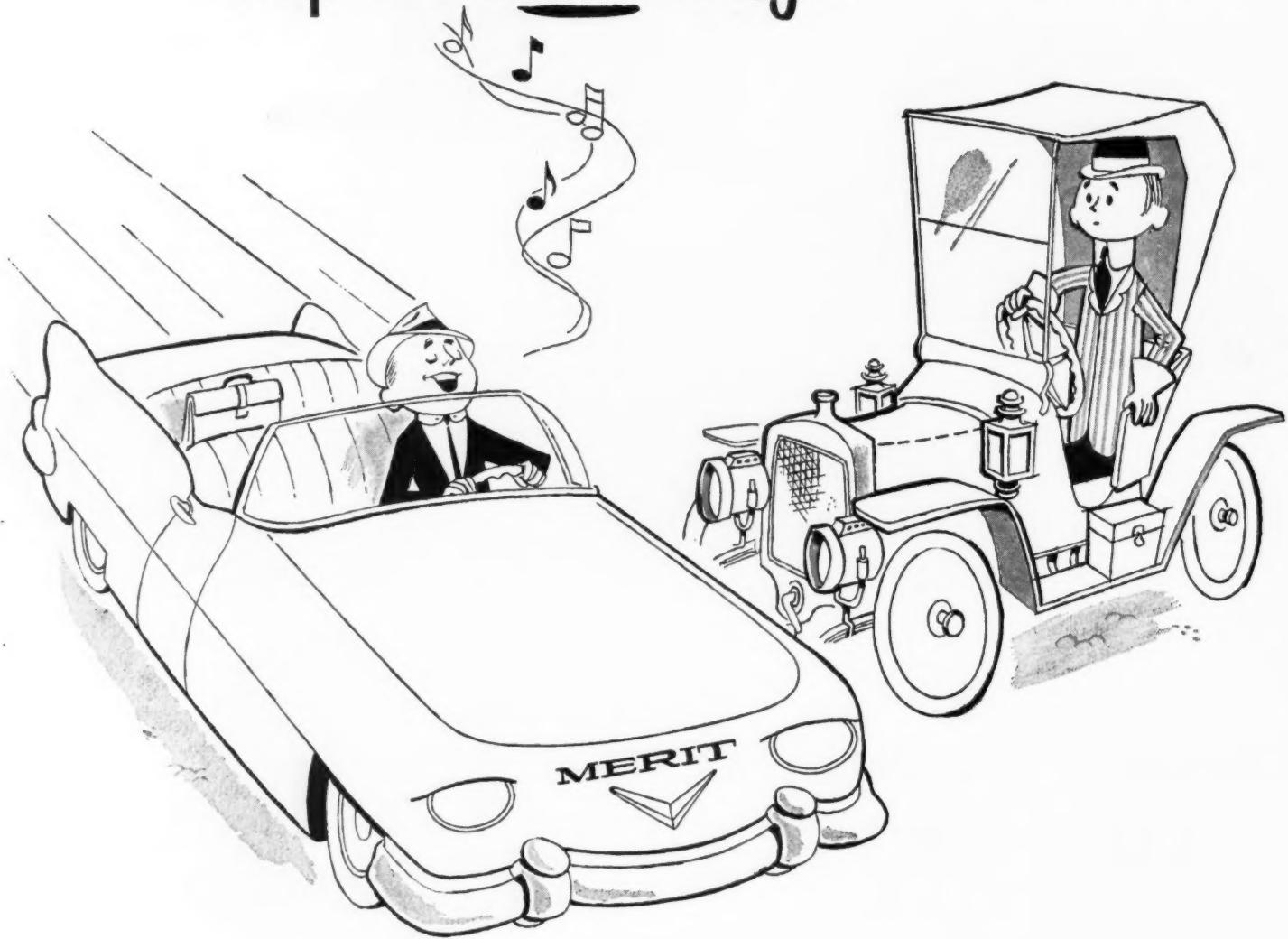
Our hats are off to these local independent businessmen (and women), operating under the American Agency System, who make good insurance really work.



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■ Zurich-American's new Merit Automobile Policy has built-in sales appeal to bring *you* increased volume and earnings—same time give your clients *more* value, *greater* protection for their automobile insurance dollar. Approved in most states . . . it's far broader than the Standard Automobile Combination Policy . . . and insureds may pay 1/2 premium on effective date, balance in 6 months *without carrying charge*. Lower rates for safe drivers, too, under our Merit Classification Plan. Contact the nearest Zurich-American branch—or the head office—and start cashing in!

**YOUR BEST SALES BET IS THE *Merit Policy!***



## DISCUSS FLOOD COVER

## U. S. Wants Major Private Insurer Participation

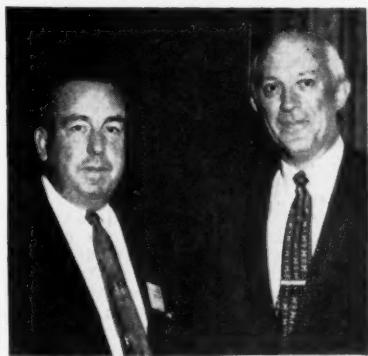
WASHINGTON—Formation of a federal government flood insurance corporation to provide flood damage cover, either direct or on a reinsurance basis, was discussed at a meeting of insurance company executives and lending institution representatives and federal officials.

Frank J. Meistrell, deputy housing and home finance agency administrator, chairman of the meeting, said "The government has no desire or intention of going into the insurance business. All we in the housing agency want to do is to get a program of some sort started which will protect the American people against the uncertainties of devastating floods which overnight can wipe out all their earthly possessions. What we—private industry and government, working together—are trying to achieve is to agree on the basic principles and then to try to work out a program to reach our common goal."

He stated that any flood program which might be developed should be predicated on the greatest possible participation by the private insurers with the view in mind that if the program should prove feasible it would ultimately be administered exclusively by private industry.

Any program that might be evolved would be with the thought in mind that the government should participate only to the extent that private business is unable to provide such insurance at the outset. It would not undertake to compete with private insurers in any area where they are now making available adequate insurance. If it proves feasible at some future date—say five or six years from now—the government would withdraw its interest and private insurers, having had the benefits of government experience and assistance in the field, would acquire the business exclusively, he said.

Insurance representatives attending the meeting were J. Victor Herd, executive vice-president of America Fore, and H. Clay Johnson of Royal-Liverpool, both representing American Insurance Assn. and National Board; H. W. Yount of Liberty Mutual; Chase M. Smith, general counsel of Kemper companies; Wallace M. Smith of American Mutual Alliance; Charles T.



Commissioner Cyril C. Sheehan of Minnesota, left, with Harold L. Wayne, general manager of Inland Marine Insurance Bureau, during the meeting at Chicago last week of zone 4 of NAIC. Photograph by Harry Fuller, midwest manager of National Bureau of Casualty Underwriters.

Houston of U. S. Chamber of Commerce, and J. Raymond Berry, general counsel, National Board.

### Pa. Adjusters Support Licensing Bill

Pennsylvania Assn. of Independent Adjusters, meeting at Bedford Springs, adopted a resolution urging support of the senate bill which provides for licensing of all independent adjusters.

The association, which was organized last year, has a membership of 40

of the approximately 60 independent adjusters in the state.

Officers were reelected, they being: President, Owen B. Hunt; 1st vice-president, Lee Smith of Pittsburgh; 2nd vice-president, Joseph B. McCool of Bethlehem; secretary, Joseph W. McClelland of Erie, and treasurer, Edward J. Brown of Harrisburg.

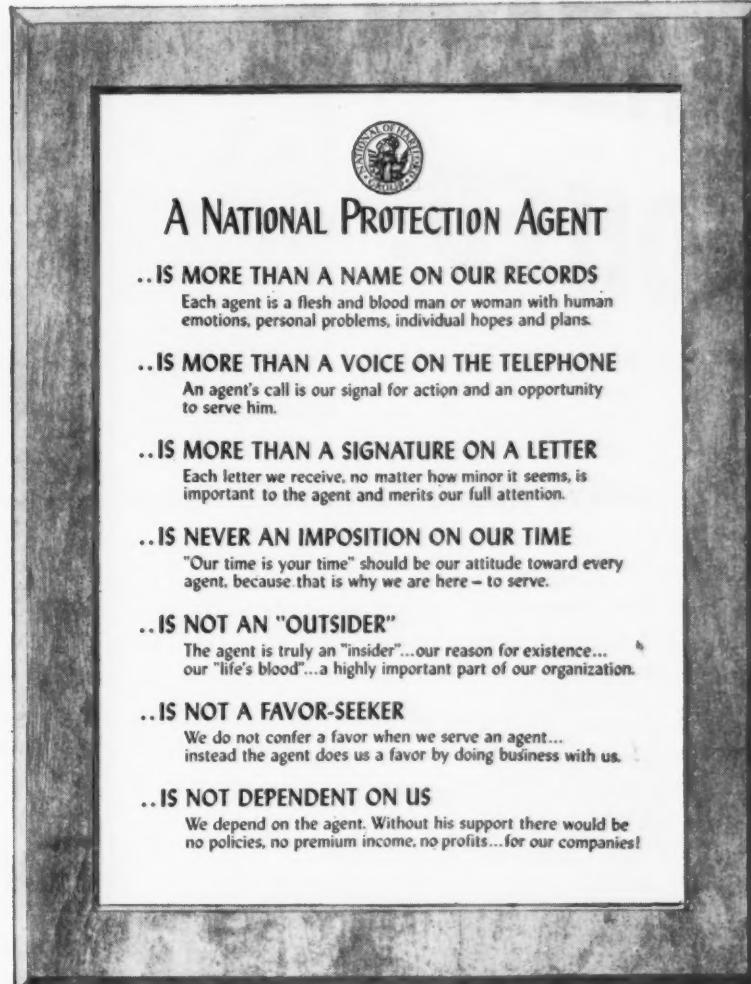
Albert F. Laws, who has been a local agent in Salisbury, Md., eight years, has opened his own agency at Bond and East Church streets there.

### Nationwide Mutual To Cut PHD Rates on Old Cars

A new classification plan which will give PHD rate cuts to Rhode Island owners of older model cars has been promulgated by Nationwide Mutual.

The older the car, the lower its rates will be for fire, theft, comprehensive, and collision. The plan assigns the lowest rates to all pre-1952 cars; medium rates to '52 and '53 cars; and highest rates to '54 and '55 models. Cars will be reclassified every January.

A  
POLICY  
that is  
always  
in  
force!



The above is an exact reproduction of the plaque that hangs in our offices. It reminds us daily of our opportunity . . . and our obligation.

It states our policy in agent-relations.



## NATIONAL OF HARTFORD GROUP of Insurance Companies

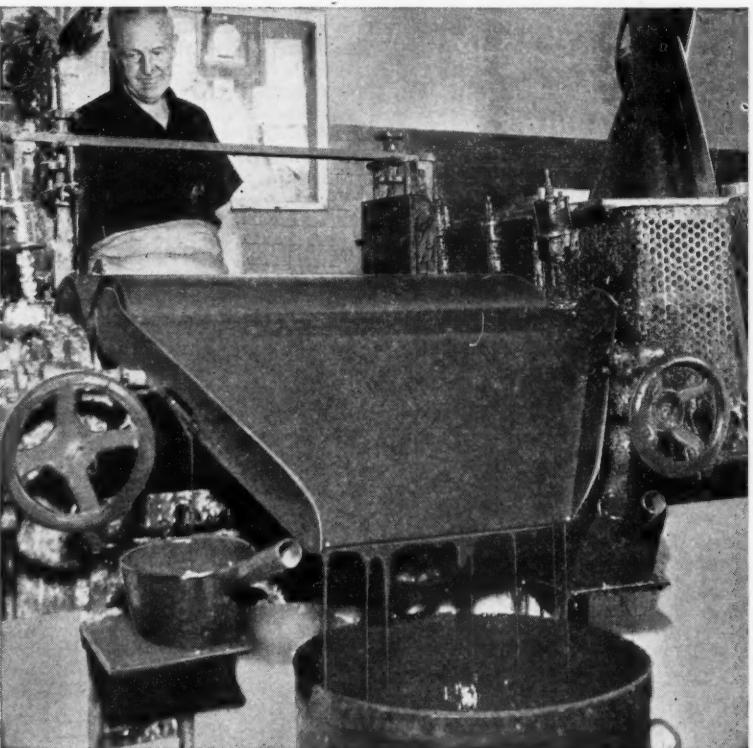
Executive and Administrative Offices: Hartford 15, Connecticut

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD MECHANICS AND TRADERS INSURANCE COMPANY  
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Athol executives were keenly aware of the importance of *dependable, automatic* fire protection to provide the maximum in safety measures. So Athol called on Kidde — leaders in the field of fire extinguishing equipment.

Kidde engineers analyzed the various hazards, installed a 20-cylinder CO<sub>2</sub> extinguishing system which would automatically snuff out fire the instant it showed itself. In addition, pressure-

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See to it that every fire hazard — machinery, flammable liquids, electrical equipment — gets the *best* in fire protection. Contact Kidde today!

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Walter Kidde & Company of Canada, Ltd., Montreal—Toronto

## Homer Bray Service, Inc.



### NATION WIDE COVERAGE

The name is new — The facility, since 1949 has operated under the name of UNIVERSAL INSURANCE UNDERWRITERS. We are not direct writers and to assist the Agents and Brokers, we have increased the number of American Stock Companies, participating on a quota share basis and affording combined assets in excess of \$150,000,000.00. In addition, we enjoy Lloyd's, London resources for automatic participation as well as excess.

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## Dutch Insurer Sets Up \$2 Million Pup in Missouri

KANSAS CITY—Holland-America Ins. Co. has been organized here with \$2 million capital and surplus as a wholly-owned subsidiary of Seven Provinces Ins. Co. of The Hague. Operations will be directed by Oppenheimer Associated Underwriters (now being organized by the Oppenheimer interests of Kansas City) and Netherlands Trading Society, an international banking organization with headquarters at Amsterdam.

Holland-America received its charter as a Missouri corporation Sept. 23 and was licensed as a multiple-line insurer Oct. 10. The company has already begun a program to become licensed in all 48 states. It has a capital of \$1 million and a paid-in surplus of \$1 million.

Robert H. Oppenheimer is president and treasurer of Holland-America; T. D. Kelley is vice-president, and E. A. Smith, a Kansas City attorney, is secretary. The chairman has not yet been designated.

Directors include the officers and George Oppenheimer Sr.; D. Quint, general manager of Seven Provinces; H. Albarda, general manager of Netherlands Trading Society; P. Van Ommeren, managing director of Van Ommeren shipping companies; G. Peter Fleck, president of Amsterdam Overseas Corp., and L. Proos Hoogenboek, chairman of Seven Provinces.

Robert Oppenheimer said Holland-America will engage in a selective underwriting program patterned somewhat on the European or Lloyds principle, and "tailor-made" policies will be issued whenever appropriate. Holland-America does not intend primarily to duplicate existing facilities in the business.

Oppenheimer Associated Underwriters, which will manage Holland-America, will have as directors Robert Oppenheimer, E. A. Smith, George Oppenheimer Sr., L. M. Reuvers of New York; N. B. M. Vierhout, a director of Netherlands Trading Society; H. Albarda, G. Peter Fleck, and D. Quint.

Seven Provinces was organized in 1918 as a private insurer for the Van Ommeren shipping interests. In 1942 it expanded to develop overseas business.

Robert H. Oppenheimer has been in insurance for 18 years. He is president of Oppenheimer Bros. agency of Kansas City, president of Insurance Facilities Corp. of Illinois and Insureds Facilities Corp. of New York and is treasurer of Insurance Agents Assn. of Kansas City.

## Tenn. Warns on Auto Misclassification

Commissioner Northington of Tennessee has warned insurers in his state against charging excess automobile physical damage rates through misclassification of drivers. In a letter to all companies he called attention to sections of the code which pertain to rating and rating organizations and the authority of the commissioner to regulate rates. In particular, he emphasized those sections which provide heavy penalties — \$500 fine for each violation and suspension of license in some cases — for knowingly giving false or misleading information to the commissioner, to any insurer or any rating organization which would affect the proper determination of rates.

## H&A Conference to Hold Unusual Risk Clinic

Unusual real life underwriting situations have been submitted anonymously by companies for the case clinic of the annual underwriting forum of H&A Underwriters Conference at the Kentucky hotel, Louisville, Oct. 24-25.

One of the 33 cases which underwriting authorities and company medical directors will be asked to discuss is that of a 33-year old man who has worked six years as a crossing watchman for a railroad. He was formerly a union official and was convicted of embezzlement in 1947. Sentence was 2-14 years. It was suspended and he was put on four years' probation. There has been no violation of probation. He is in good health, habits are good and there are favorable home surroundings—a wife and three children. The man has applied for \$100 a month loss of income, \$1,000 principal sum and \$4 a day hospitalization. His income is \$254 a month.

Another case concerns the application of a \$20,000-a-year sales executive who has been a member of Alcoholics Anonymous. His friends say he has been a nondrinker the last five years but he was turned down for a 10-year term life insurance plan a few years ago.

The audience will be invited to join in debate with the following panel members: W. A. Sims, Business Men's Assurance; Charles M. Barry, Ohio State Life; J. Noyes Crary, Connecticut General Life; Harry L. Graham, Bankers Life of Iowa; Malcolm G. Pittman, Gulf Life; Albert Robins, Loyal Protective Life; Joseph M. Ryan, Metropolitan Life; Dr. W. H. Scions, Lincoln National Life; Dr. Harold R. Leffingwell, Paul Revere Life; Dr. Charles B. Ahlefeld, Business Men's Assurance; Dr. John E. Boland, North American Accident, and Dr. E. B. Williams, Wisconsin National Life.

Each person attending the two-day meeting will receive a booklet that gives the facts on each of the cases.

The conference underwriting committee and the conference hospital and medical insurance committee will sponsor other sessions on substandard underwriting, deductible hospital insurance and individual major medical insurance policies.

## Holt Seattle V-P for American Automobile

R. C. Holt, Seattle manager of American Automobile, has been elected resident vice-president at Seattle. He succeeds Carl B. Birkenmeyer, who has resigned to join the executive staff of United Pacific.

Mr. Holt started in insurance in 1940 as a special agent for Maryland Casualty at Los Angeles, later becoming Los Angeles manager of Eagle Indemnity. He was manager at Seattle for Massachusetts Bonding before joining American Auto in 1948.

## Pfaender Elected Central Region Director of CPCU

In reporting in the Oct. 6 issue the election of regional directors of Society of CPCU, it was incorrectly stated that Ella-Rachel Lyons of Detroit was named director for the central region. The new central region director is John A. Pfaender, vice-president of Anchor agency of St. Paul.

Hulbert S. Aldrich, president and a director of New York Trust Co., has been named to the local boards in New

York City of Royal, L.&L.&G., British & Foreign and Thames & Mersey, members of Royal-Liverpool group. He has also been elected to the boards and named to the finance committee of Royal Indemnity, Globe Indemnity, Queen, Newark, Star and American & Foreign, also group members. He is to be named later to the board and finance committee of Virginia F.&M.

**Associated Reciprocal Exchanges** will move their general offices from Port Chester, N. Y., to 2 Park Avenue, New York City, March 1. The building it now occupies has been sold.

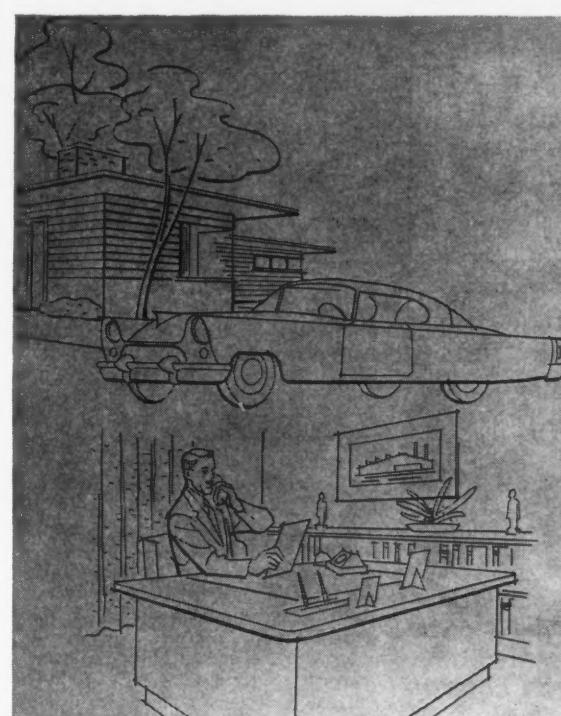
## Adjust Insured as Well as Loss, Miller Advises

The importance of the adjustment aspect of insurance transactions was emphasized by Chief Deputy Commissioner Miller of West Virginia in a speech before Charleston Assn. of Independent Adjusters. He pointed out that the policyholder made unhappy by unsatisfactory settlement operations often makes the worst possible public relations man for the company and thus offsets the company's efforts

toward sales promotion.

He referred to several practices in adjusting as "adjusting sins." Among these he enumerated requiring the claimant to make a demand before an offer is made to him; the adjuster's refusal to pay physical damage claims until bodily injury claims are settled; and threats to cancel a policy in an effort to coerce the policyholder into a quick settlement.

Criteria he outlined for good claims work included integrity, ability, professional knowledge and patience.



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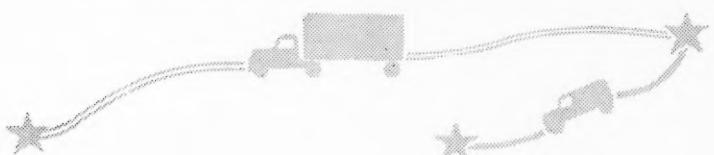
Any investment in protection must be made carefully; too much is at stake in case of error. That is why you should turn to the local insurance agent when you have an insurance problem. His knowledge, experience, ability—plus his interest in your welfare—are assurance of sound advice and assistance. Consult your agent or broker as you would your doctor or lawyer... men you know and trust.

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Liability Changing  
So Fast It's Always  
New, Md. Agents Told

Liability coverage has changed so fast that it's constantly new and every customer's renewal should be studied to see if coverage is as complete as can be now provided. Albert L. Latham, manager of the agency department of the casualty, fidelity and surety department of Travelers, told Maryland Assn. of Insurance Agents at its annual meeting in Cumberland.

Just renewing an OL&T or an M&C policy as is, surely isn't serving insured too well unless his uninsured exposures have been pointed out and he has refused to buy, he said.

Last May pages 152 C, D and E, concerning comprehensive personal and farmers comprehensive personal, slid into the manual without much attention being paid to them, Mr. Latham said. They are called physical damage to property policies. Both, except for the medical payments, are legal liability policies. A neighbor's or friend's property may be damaged through circumstances that do not make insured legally liable in any way and yet he feels morally obligated to pay. This does it, up to \$250 for any one occurrence for \$2 a year. It does not cover damage to or loss of owned or rented equipment, but aside from an exclusion dealing primarily with motor vehicles, farm equipment and watercraft, does not exclude property loaned.

No company man is happy about bringing up the "occurrence" basis in a comprehensive personal, Mr. Latham said. Company men are a bit gun-shy about it. The ordinary policy is on a "caused by accident" basis, and there can be a serious difference between caused by accident and occurrence. The reason underwriters are skittish, he explained, is that it's difficult to know in advance what the difference is, what the companies can be let in for, and how to measure the possible increase in exposure for premium purposes. Whether or not to provide "occurrence" instead of "caused by accident" is an individual company problem. Some companies do not consider it too difficult if they have an opportunity to measure the exposure so far as personal injury coverage is concerned. Most of them have a rigid policy on the property damage end. They just will not play.

There seems to be a growing interest in business pursuits coverage in connection with comprehensive personal. These are small items to be sure, he said, but insured should be given the opportunity to buy.

He suggested converting OL&T on retail stores to storekeepers' where possible. And he suggested that M&C policyholders be informed about products coverage and completed operations. Builders, contractors, plumbers, air conditioning people and similar trades have a serious gap in their coverage if completed operations is not provided, he said.

## N. C. Investigates Auto Arson

Eighteen warrants charging the illegal burning of automobiles for the purpose of collecting insurance have been issued in the southeastern part of North Carolina, the result of an investigation by the insurance department. Investigators found that 40 to 60 automobiles had been illegally burned during the past two years.

Insurance Women of Madison (Wis.) viewed a movie on fire prevention at their last monthly meeting.

Andrews Resigns Tax  
Job to Be Chairman  
of American F.&C.

T. Coleman Andrews, commissioner of internal revenue, whose resignation was accepted by President Eisenhower, effective Oct. 31, will become chairman of American Fidelity & Casualty.

This is not the first venture into insurance for Mr. Andrews, he was co-founder and partner of Bowles, Andrews & Towne, actuaries, pension and insurance fund consultants of Richmond, New York City and Atlanta, which was founded in 1948.

In making known his new position, he said he has long had an interest in the trucking industry and he feels he can be of help in speeding attainment of its optimum level of usefulness to commercial transportation. The company has grown tremendously, he said, but he believes its potential of usefulness has only been scratched.

## Gentry Talks to Conn. Mariners

Baxter Gentry, vice-president of Johnson & Higgins, discussed multiple line coverages and manufacturers' output policy problems at the October luncheon of Mariners Club of Connecticut in Hartford.

## Service Guide

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## Tells Why U. S. Ocean Marine Cover Costs So Much, How to Reduce It Through Prevention

A realistic approach to risk management is a top level responsibility that should never be neglected, Edward C. Holden Jr., president of U. S. Protection & Indemnity agency and vice-president of Marine Office of America, said in an address before the American Merchant Marine Conference at New Orleans.

Speaking on the science of business, safety and marine insurance, Mr. Holden said that with an eye toward cost rather than coverage, top management can easily fall into an attitude of "it can't happen to me." A ship collision, wreck, explosion; a ship cargo or pier fire can quickly alter this attitude.

To determine the importance of insurance it should be viewed in terms of coverage rather than cost. It is not merely a matter of premiums. It is a matter of the total assets of the company and, possibly, of more than the total assets, considering the liability potential that may be involved in some circumstances.

When concentration is upon cost, there may be a tendency to measure the adequacy of an insurance program in terms of the amount spent for premiums. Premiums, of course, will be very high when the possibility of loss is unusually high and when the overall experience record is bad. Instead of continuing to carry such high cost premiums through a long period of years, it is far wiser to change the methods of operation, install a proper safety program, and increase organizational efficiency, he advised. Safety and claims prevention go hand in hand. The high volume and the high cost of claims throughout the shipping business would impair and jeopardize its solvency were it not for the protection afforded by marine insurance, he said.

The most obvious, practical and humane way to reduce risk in any business organization is by prevention of accidents. When a risk cannot be eliminated or reduced to a proper level, those who adopt neither of these precautions are gambling against odds that can seldom be justified by the possible profits, he said. Self insurance is sometimes worse than no insurance; disasters jeopardize a company's reserves and solvency, Mr. Holden warned.

Among the most valuable dollars spent by companies are those paid for insurance. Most managements are primarily, cost conscious. Insurance viewed solely as a cost item, can easily be dismissed as inconsequential when compared with total income volume, operating costs, the net worth of the company, and the extent of the risk. Insurance is usually a low cost item in the over all budget except where the frequency and severity of accidents is beyond all reasonable limits, and the value of the investment is not easily discernible until catastrophe strikes.

Effective accident control is a matter of top management concern, he said. It is so closely tied in with all aspects of operations and has such a bearing on good worker and public relations that it becomes a major factor in profitability and successful operation of a company. It is recognized that accidents have a demoralizing effect. Hence safety is good employee and public relations.

The key to accident prevention lies in the proper education and re-education of each member of the supervisory force and employee. While it is expected

that each officer, crew member or stevedore knows his job, nevertheless accident records prove a marked deficiency in safety supervision, safety education, and job know-how. Negligence is a costly word in more ways than one, Mr. Holden said. It is the underlying basis of accidents resulting in death and personal injury claims.

Today many companies in the marine business are unquestionably lead-

ing in physical safety. American flag vessels are reputed to be the safest afloat. Most reports indicate that only a minimum percentage of accidents are due to mechanical failure. Notwithstanding these facts, Mr. Holden stressed, the maritime industry is reported to have one of the highest accident and illness rates of any business in the country.

The Marine Index Bureau has pointed out that there are many causes for this condition, including documentation and employment aboard of individuals who, because of their men-

tal and physical condition, should not be exposed to the hazards of the profession.

The courts call them "unseaworthy men" and the shipowner is held responsible for them even though he is forced to employ them by certain labor unions, Mr. Holden said. This is a costly, intolerable and inequitable situation and merits corrective action. Another cause is that under the unique laws relating to maritime personnel, the already great responsibilities of the operators are being continually

(CONTINUED ON PAGE 33)

## DOES IT PAY?

Insurance agents are no more indifferent to advertising than the rest of the public. They are influenced by all of it that they read in newspapers and general magazines, and there is no reason to believe they are not influenced by the advertisements they read in *The National Underwriter*.

People buy Colgate Tooth Paste, Wrigley Chewing Gum, Goodyear Tires, Coca Cola and Chesterfield Cigarettes, not because these products are "the best," but because they are advertised so constantly the public unconsciously accepts the idea that they are superior.

That is the whole principle behind any advertising. The reading public very largely believes you are what you say you are, and if you say nothing you are nothing, or very close to nothing, in the public mind.

On the other hand, regular, steady, carefully planned advertising can be made so potent that an insurance company with no more to offer than can be provided by most other companies can, nevertheless, acquire a considerable amount of prestige with agents through trade paper advertising.

It can convince the rank and file of agents that it is "better"; that it is "different"; "live"; "dependable"; "friendly"; that its service is superior, and all the rest of it.

In other words, advertising in *The National Underwriter*, which is read by agents everywhere, can make and maintain a favorable reputation for a company. In order to acquire such prestige, a company does not have to be the oldest, the largest or the best, but it does have to advertise consistently and intelligently. Such advertising breaks down the barriers and paves the way to desirable agency appointments—appointments of the kind that are impossible to the unknown, unadvertised companies.

Advertising in *The National Underwriter* can do all this, is doing it every week, and still there remain some home office executives who ask "Does it Pay?"

## The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number 31 of a series.

## Reorganize Duties in W. Va. Department

The reorganization of the West Virginia insurance department has resulted in the division of duties for the deputies and administrative assistants.

Deputy Commissioner Miller has been named chief deputy commissioner for the department. He will be in charge of all problems relating to Blue Cross and Blue Shield plans, examination and licensing of companies and will assist Commissioner Gillooly in administering his office.

Troy W. Cox, deputy commissioner, will remain in charge of the fire and casualty lines and will be responsible to the commissioner for agents' licensing.

George R. Cochran has transferred from his duties as insurance examiner to actuary. His primary duties will be in company licensing, auditing financial statements and assisting on rating questions.

Donald L. Schaffer will work on revising the insurance laws and will assist Mr. Gillooly in the disposition of special legal problems.

Charles E. Price, administrative assistant, will do legal research for the department and also will reorganize the department library as well as assist the deputies in the disposition of complaints.

William M. Sloan, administrative assistant, will head the agents' licensing division and will assist Deputy Commissioner Cox in handling claims of fire and casualty lines.

Administrative Assistant George P. Sovick Jr., will assist Mr. Cox in processing claims in fire and casualty lines and assist Deputy Commissioner Stouffer in the policy form analysis.

### Rearranges III. Jurisdiction

Allstate has transferred jurisdiction of 74 Illinois counties from the Indianapolis office to Chicago and Kansas City. The 39 southernmost counties will now be handled out of Kansas City and the 38 counties immediately above them will be supervised from the Chicago branch office at Skokie. The district service office at East St. Louis has been transferred to Kansas City jurisdiction, and service offices at Decatur and Peoria will now be supervised out of Chicago.

## Sets Out the Strong Points of Homeowners

The main criticism that has been made of the homeowners policy is that it is inflexible, John Adam Jr. of Central Mutual, Boston, told Vermont Assn. of Insurance Agents at its annual convention in Bellows Falls. It is true that some flexibility has been sacrificed in the interest of streamlining these two policies, but the aim is efficiency and cutting the cost so that the premium is lower.

This criticism of inflexibility is usually aimed at the provision that insured must carry 40% of the amount of his dwelling coverage on contents on the premises, Mr. Adam stated. It is said that most insured do not carry 40% of the dwelling amount on contents. This is true.

But it is also true that most insured would be far better off if they did carry 40% of the dwelling amount on contents. The great majority of insured who carry specific fire coverage on their dwelling and contents are vastly underinsured on their contents.

How many times has the agent written contents policies for \$1,000, \$2,000 or \$3,000 when he knew that the coverage should be at least two or three times as much as insured was willing to take? If the agent could write any amount on contents he wanted under the homeowners policy, it would defeat one of the main purposes, which is to force insured more adequately to insure his potential loss. By forcing insured to carry more insurance to value, the premium can be lower and insured given more adequate coverage.

Homeowners A or B will not fit the requirements of all insured or prospects, he continued. It is not intended to. For the average agency, however, at least 25% of the personal lines insured will be better protected under homeowners A or B; and in many cases the cost is actually lower than they are now paying. In other cases it is relatively lower.

If the agent has failed to give homeowners coverage to some of his people simply because it doesn't fit all of his people, he has been depriving some insured of a "best buy," Mr. Adam said.

As a result of the arrangement giving credit for existing policies, the agent can lose a line without even knowing it until his policy expires, Mr. Adam warned.

### D. C. Agents Conduct Courses

District of Columbia Assn. of Insurance Agents will hold a series of insurance courses at the Home building. Classes and the discussion leaders

are fidelity and surety bonds, William Harrison of Fidelity & Deposit; boiler and machinery, W. E. Brockie of Hartford Steam Boiler; workmen's compensation, Fred Bauernschmidt of Hartford Accident, and insurance regulation, James B. Clarke Jr. of Assn. of Casualty & Surety Companies.

## Special Booklet for 30th Anniversary of Pittsburgh Office of New Amsterdam

New Amsterdam Casualty has issued an attractive brochure commemorating the 30th anniversary of the Pittsburgh office. C. H. Bokman, resident vice-president at Pittsburgh, has been in charge of that office since it opened in 1925.

The booklet, a special edition of the branch office organ, the *Premium Producer*, includes contributions from Commissioner Smith of Pennsylvania; L. D. Willison, Jr., immediate past president of Pennsylvania Assn. of Insurance Agents; G. H. Rice, president of Pittsburgh Assn. of Insurance Agents; Mayor D. L. Lawrence of Pittsburgh; J. A. Nelson, New Amsterdam chairman, and J. D. Mahon, president.

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## Urges Mutual Fire Companies to Improve Competitive Position

ST. LOUIS—There has been no change for more than 20 years in the relative percentages of premiums written in the United States by mutual fire insurance companies and stock fire insurance companies, but there is likely to be a breakthrough by whichever of the two groups first finds the actual reasons for the deadlock. Gary H. Kamper, president of Badger Mutual, said in his presidential address at the annual meeting of Federation of Mutual Fire Insurance Companies here.

"We have given a lot of study during the past decades to such matters as improvement and refinement of coverage, to rating and to loss prevention," he said. "But we have not paid enough attention to how the property insurance business in the United States has been developing as a whole and to why it has developed as it has. As an optimist and a firm believer in the inherent advantages of mutual insurance, I believe that mutual property insurance will improve its position in the years to come. But the fact remains that years have come and gone, and our competitive position as measured by premium volume has not improved. It might not be a bad idea for us to start trying to find out why."

Mr. Kamper stressed that mutual life companies have improved their competitive position to the point where they now write about two-thirds of the U. S. life insurance premium volume, and that mutual casualty insurance companies now write about 30% of U. S. casualty insurance premiums compared to 10% in the early 1930s. But in the property insurance field, he said, mutual companies now write about 17.5% of U. S. premium volume and stock companies about 82.5%—about the same ratio that existed in 1935. During this period the dollar amount of property insurance premiums for the business as a whole has increased almost five-fold.

"We believe we understand what is going on within our own companies, and some of us may be blinded by the fact that our own companies have been progressing at a much more rapid rate than the mutual property insurance business as a whole," he said. "But who among us can isolate the factors that have kept the proportions of business written by mutual and stock insurance companies dead level for two decades?"

In commenting upon significant changes within the mutual property insurance field in recent years, he pointed out that premium volume in fire and allied lines constitutes a much smaller percentage of the writings of

### 6.3% WC Rate Hike Is Studied in Missouri

JEFFERSON CITY—Superintendent Leggett of Missouri has under advisement a filing of National Council on Compensation Insurance for an over-all increase in workmen's compensation rates of 6.3%. The effective date would be Nov. 1.

The council recommendations were opposed at a public hearing Oct. 6 by spokesmen for Associated Industries of Missouri. The superintendent has until Oct. 31 to announce his decision.

member companies of the Federation of Mutual Fire Insurance Companies than it did in the past. In 1935 such business accounted for 90% of the premium volume of these leading mutual fire insurance carriers; last year it was down to 66.5%, with automobile and casualty lines becoming much more important. He said there has been a substantial decrease in the number of assessment farm mutual fire insurance companies over the past twenty years—with 375 fewer such companies in existence now than then—but that the principal reason for the change has

been that such companies tend to change over to an advance-premium method of operation as they become larger. The actual decrease in number of mutual fire insurance companies since 1935 was 86.

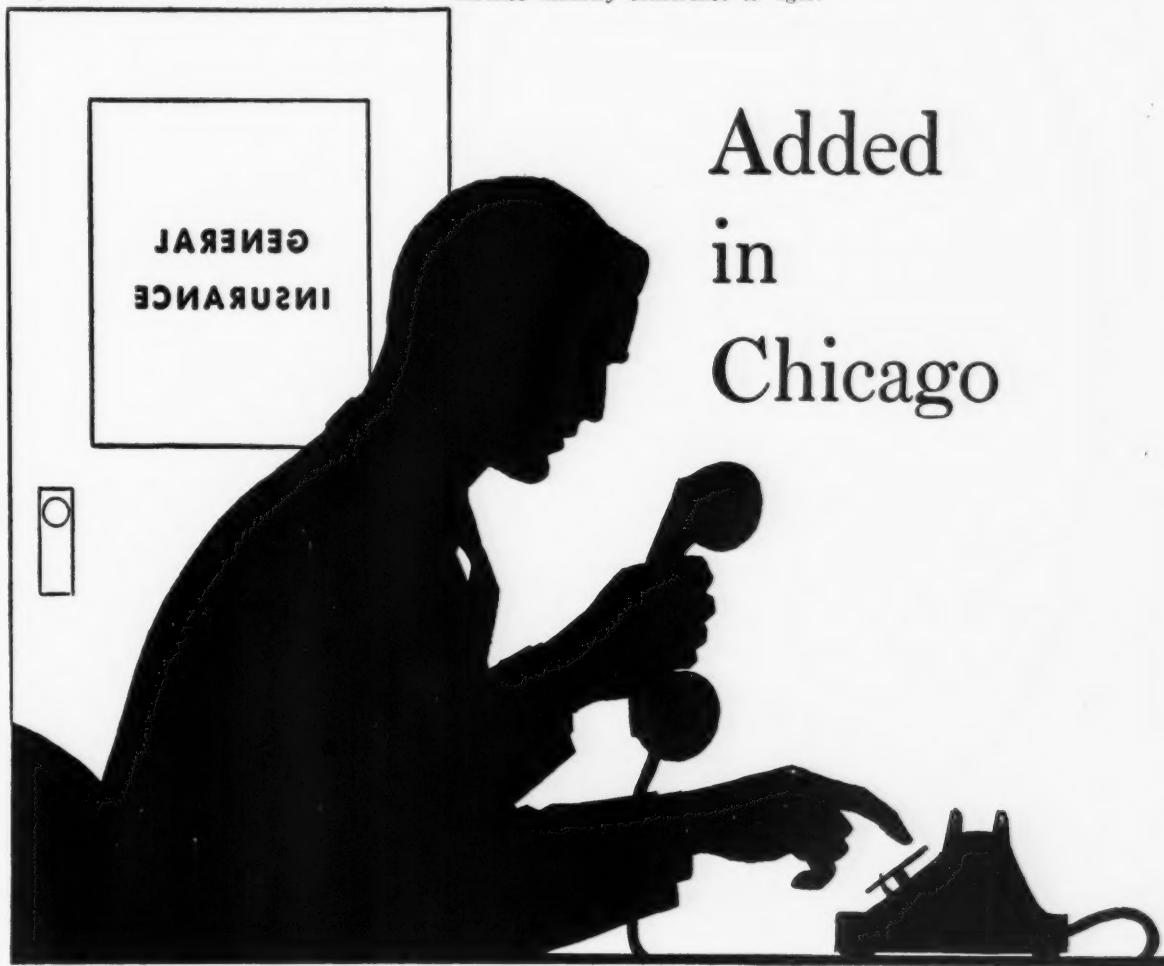
be held in conjunction with the annual conference of Controllers Institute of America.

T. Corwin Steele, secretary-comptroller of Royal-Liverpool group, will be vice-chairman of the session, slated for Nov. 6-9 at the Hotel Statler, Los Angeles.

Thomas J. Mouzakis has been appointed accounting manager for Allstate's regional office at Harrison, N. Y. He joined the company at Chicago in 1951, was named assistant home office accounting manager and later promoted to home office statistical reports manager.

### Sullivan Chairman of Controllers Session

William D. Sullivan, general auditor and accounting manager of Lumbermens Mutual Casualty at Los Angeles, will be chairman of the fire and casualty insurance industry conference to



## Added in Chicago

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# Connecticut General

LIFE INSURANCE COMPANY, HARTFORD, CONNECTICUT

## Agents Should Make Personal Inventory

Advocating that agents periodically take inventory of themselves and their business, Joseph A. Neumann, Jamaica, N. Y. local agent and past president of National Assn. of Insurance Agents, told Rhode Island Assn. of Insurance Agents at their annual convention at Providence, that they should check the obsolescence as well as the quantity and quality of their stock.

Key centers throughout the nation have felt the pinch of lack of market in recent years, particularly in automobile, he said. If the competition has sold products agents were unable or unwilling to deliver, it can hardly be laid at the doorstep of the agent, he said. Black figures, because of more realistic rates, have gone a long way towards easing underwriting and capacity restrictions. It is too early to substantiate, but he hopes that the theory of multi-classifications proves its worth.

Mr. Neumann said he cannot divorce himself from the belief that many of the woes of the business stem from super-selective underwriting. He admitted he did not know the cure for this ill and added that by and large, in most lines, the companies keep the agent's shelves well stocked.

When the stock is on the shelves, agents should ask if they are using it to the best of their abilities. They should determine whether they are concentrating on one line because they know it, or because it is easy to sell or it is low in price. Package policies have one positive advantage inherent in them, he said. They force an agent to do what he should have been doing all along—service accounts, not policies.

As for package policies, he said, he hopes that the experimental stage is over and that the persons who disagree with them will soon reach common ground as to forms in all phases of dwelling coverage. He said he does not mind competing with another merchandising system, or another agent. But it is chaos personified when he has to compete with himself.

Insurance is entering an era of developing a good product and creating the demand for it, said Mr. Neumann. That is where agents come into the picture. Given a good product they can sell it. They have even proved that they can sell an inferior product at a higher price.

Agents must justify every penny of commission they receive, not only in service performed, but in efficient performance of that service, he said. Duplication of effort, redundancies and unnecessary functions have no justification in the public interest. Therefore, he recommended that agents review office operations and company operations to be certain they are in the public interest.

Recommending that agents take inventory as salesmen, he said that knowledge of the product sold is the "open sesame," a competitive cure-all for selling.

To do an adequate job, said Mr. Neumann, the agent should be sold on his product, sold on the contribution he is making to his community and sold on himself. If he is not he cheats not only himself but the public.

Judge suggests a method of settling automobile accident lawsuits out of court in a manner patterned after the workmen's compensation system. The article, "Let's Put Sense in the Accident Laws," states that the present system of handling lawsuits is as old-fashioned as the one-cylinder horseless carriage.

### Milford, Conn., Agents Elect

New officers of Milford, Conn., Assn. of Insurance Agents are Stanley F. Burdick, president; Mead Batchelor, vice-president and Loring Miller, secretary.

## AMERICA'S OLDEST REINSURANCE GROUP

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DIVIDEND ILLUSTRATIONS— even those as good as present projections on our Preferred Whole Life plan—offer no magic sales formula when used alone.

Many a prospect—unblinded by the glitter of dividend payments that *cannot* be guaranteed—looks searchingly at those policy features which *are* guaranteed.

Thus some folk buy our Preferred Whole Life because Total Disability and Waiver of Premium require only a four—not six—month waiting period. Others buy because 'most all our flexible riders can be added *when* and *if* they are needed.

These features, and others as liberal, are reasons our agents and brokers consider Occidental's Preferred Whole Life—like all our rate book offerings—worth *more* than its weight in gold!

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**EXCESS UNDERWRITERS, INC.**  
Howard E. Mankin, Executive Vice-President  
Home Office, 175 W. Jackson Boulevard, Chicago, Ill.  
San Francisco Office, 582 Market Street

In an article in the Oct. 22 issue of *Saturday Evening Post* a New York

## Herter Speaks Up for Auto Insurers in Massachusetts

Gov. Herter of Massachusetts has informed legislators who called on him that he does not intend to call a special session of the great and general court to amend the compulsory automobile insurance laws. There is an effort to get such a session.

The governor said he was disturbed about "the extraordinary concern for the violators and lack of concern for the safety record of the state."

"Compulsory insurance requires every insurance company to take its share of bad risks whether it wants to or not. There has been an assumption, not justified I think, that the insurance companies make money on compulsory insurance. That statement is not justified because the insurance companies have consistently tried to stop the spread of the compulsory system. I do not believe if they are making money they would oppose it," Herter said.

Legislators again have raised the issue of a state wide flat rate, which was defeated once.

There is a public hearing Oct. 28 before Commissioner Humphreys on the final promulgation of the 1956 compulsory rates.

## Tenn. to Use Students for Fire Inspection

Insurance Commissioner Northington of Tennessee is planning a statewide fire inspection in which students of 5,000 schools of the state will be used to make a fire prevention inspection of 90% of the residences of the state. The plan, which is being enthusiastically accepted by school authorities, calls for the appointment of a junior state fire marshal for each school and a junior state fire inspector for each classroom.

## Skyscraper, Additions Planned in New York

New York City's insurance district will get a new skyscraper on the present site of 123 William street, an addition to the recently completed building at 156 William street and modernization of the building at 55 John street in a real estate venture planned by Ivor B. Clark and Erwin S.

### Here Are Details on Homeowner's D Cover

Probably few insurance men have not seen the copy of the homeowners D policy, the contract whose terms appear in Chinese characters and is a parody of the several alphabetical dwelling policies. And it is equally probable that few insurance men have complete understanding of the new D policy.

Not wishing to fall behind the pack in this day of policy modernization, C. F. Foster, vice-president of Millers National, after examining the homeowners D, asked the company's Pacific coast vice-president if he couldn't obtain a translation.

H. R. Stewart took a copy of the policy to a San Francisco friend, finding out the first line is the name of a theatre, and this is followed by the titles of two shows. There then appears a short resume of the stories of the shows, and the balance of the front page is a listing of the cast. On the reverse side appears a menu.

Wolfson of New York City.

The construction project involves the property of Zurich at 4 to 10 Dutch street and 55 John street. Zurich will move to quarters at 156 William street where it has leased five floors. Commercial Union-Ocean group, which has already leased three floors in the 156 William street structure, has taken an option on additional space on the first and second floors of the proposed addition.

The 26-floor skyscraper to go up at 123 William street will replace the present Underwriters building and the present 4 to 10 Dutch street building.

## Texas Department Getting Set for Wave of Mergers

AUSTIN—Faced with the duty of approving proposed mergers of Texas companies, Casualty Commissioner J. Byron Saunders last week said the pending plans on file or in the discussion stage are "only a portent of things to come."

The impending mergers, according to Mr. Saunders, result directly from the new Texas insurance laws. Major

factors in the movement, he said, are the higher restrictions on ownership of real estate, new controls over sales of stock and competition for employees in managerial posts. Another factor, particularly in the life field, is the new law requiring companies to show production of new business in order to retain their charter.

## Allstate Promotes Braddock

James W. Braddock has been appointed personnel manager for the Seattle regional office of Allstate. He was transferred from the Pacific coast.

# field memo

AG-EMPIRE  
Watertown, N. Y.

Dear Folks,

Please write the agents in my area that I will not be available for any more deer hunting this fall.

Last week I went deer hunting with agent Dick Furst and a lawyer friend. I will skip the preliminaries and get right to the point. Dick had shot a magnificent 8-point buck, and the three of us were sitting around "resting up." Dick and Jim were "discussing" the relative advantages of their respective professions. Dick was getting the best of it because I was there to bolster his arguments.

"But to give credit where credit is due," said Dick, "we agents wouldn't be anywhere without the field men. Right, Ag-Empire?" I nodded happily.

"Who's right there to help when work piles up? Who's right there with sound advice when problems get too knotty? The Ag-Empire Man! This guy actually goes out of his way to be helpful. In the office—or out. He's always thinking up ways to be helpful. Right, Ag-Empire?" I nodded happily.

"Why, right at this minute I'll bet he's already planned who will carry that deer out of the woods. Right, Ag-Empire?"

Folks, I don't see any point in going on—but please write the agents, huh—please?

The Ag-Empire Man

"He helps agents get dough, too!"



P.S.

Don't think for one minute I regretted towing that deer for Dick. Ag-Empire men will gamely try anything—if it helps make life easier for agents. But I'm glad my main job is helping agents get bucks they can carry by themselves—in their wallets!

Agricultural  
Insurance Company  
of Watertown, N.Y.

Friendly  
Folks

Empire State  
Insurance Company  
of Watertown, N.Y.

Like to learn more about how Ag-Empire lightens the "work-load" for agents? We're easy to write to.



## OLD SUPERSTITIONS

*and what they mean*

When someone says, "God bless you", he is protecting you in a moment of great danger. For it was once widely believed that when you sneezed, your soul could escape from your body.

Although we no longer believe in such things, as an agent, you are in danger unless you sell at least the protection of the Broad or Special Form.

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WASHINGTON, D.C.

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INSURANCE COMPANY

**Industrial**  
INSURANCE COMPANY  
DES MOINES, IOWA

### Convention Dates

Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.  
Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.  
Oct. 23-25, Kansas Assn. of Insurance Agents, annual, Town House hotel, Kansas City, Kan.  
Oct. 24-25, Tennessee Assn. of Insurance Agents, annual, Andrew Johnson hotel, Knoxville.  
Oct. 25-26, Massachusetts Assn. of Insurance Agents, annual, Sheraton-Plaza, Boston.  
Oct. 26, Connecticut Assn. of Insurance Agents, annual, Hotel Statler, Hartford.  
Oct. 26-28, Insurance Accountants Assn., annual, Shoreham hotel, Washington, D. C.  
Oct. 26-28, American Management Assn., insurance conference, Palmer House, Chicago.  
Oct. 27-28, Nebraska Assn. of Insurance Agents, annual, Fontenelle hotel, Omaha.  
Oct. 27-28, Pacific Fire Rating Bureau, annual, Cameback Inn, Phoenix.  
Oct. 30-Nov. 1, Missouri Assn. of Insurance Agents, annual, Muehlbach hotel, Kansas City.  
Oct. 31, National Assn. of Mutual Casualty Insurance Companies, annual, Edgewater Beach hotel, Chicago.  
Oct. 31, National Assn. of Automotive Mutual Companies, annual, Edgewater Beach hotel, Chicago.  
Oct. 31-Nov. 2, National Assn. of Independent Insurers, annual, Sherman hotel, Chicago.  
Oct. 31-Nov. 2, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.  
Nov. 2-3, Michigan Assn. of Mutual Insurance Agents, annual, Hotel Statler, Detroit.  
Nov. 7, Fire Underwriters Assn. of the Mountain States, annual, Denver.  
Nov. 14-16, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.  
Nov. 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Des Moines.  
Nov. 20-23, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.  
Nov. 27-29, Illinois Assn. of Insurance Agents, annual, Edgewater Beach hotel, Chicago.  
Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, mid-year, Hotel Commodore, New York City.  
Dec. 14, Eastern Underwriters Assn., annual, Biltmore Hotel, New York City.  
Feb. 17-18, New York State Assn. of Life Underwriters, Saratoga managerial conference.

Stanbro has been vice-president and loan officer of Orlando Federal Savings & Loan Assn.

### American States Opens Offices

American States has opened new field offices at Grand Rapids, Mich., and Elgin, Ill. Both provide parking space for agents and insured.

The Grand Rapids office, in the Fuller building, will be staffed by Walter Gatherer, sales manager, and Richard Vlasblom, claims manager. At Elgin, Henry J. Webber is sales manager and Russell B. McCurdy is claims manager.



### MINNESOTA STAR OWES OPPORTUNITY TO UNPAID BILL

There might be no "Gophers" in the Big 10 today, no degrees for Minnesota scholars, but for an unpaid bill of \$5.50.

In 1885, John S. Pillsbury, merchant, was unable to collect this small amount from the then-struggling young University. Investigating, he found it heavily in debt. Thereafter, he devoted his life and fortune to building the "U of M." and (eventually as Governor of the State) led in obtaining public support. A statue was erected in his memory as "father" of the University, now one of America's largest—and most solvent!

Thus the toil and foresight of pioneers gave rise to modern opportunities—as we are further reminded by the early-day homesteader pictured on the Great Seal of Minnesota.

A "Great Seal" of the insurance business is PACIFIC NATIONAL'S, below, token of strength, stability and service to Agent, Broker and Assured.



**PACIFIC NATIONAL**  
FIRE INSURANCE  
COMPANY

HOME OFFICE • SAN FRANCISCO  
FOREIGN DEPARTMENT • NEW YORK, SAN FRANCISCO  
EASTERN DEPARTMENT • PHILADELPHIA  
WESTERN DEPARTMENT • CHICAGO  
SOUTHERN DEPARTMENT • ATLANTA  
INTERNATIONAL FACILITIES  
WORLD-WIDE SERVICE

### Wausau Schools Add to Cover

WAUSAU, WIS.—On recommendation of Wausau Insurance Board and a presentation by Charles L. Manson, local agent, the board of education of Wausau has voted to purchase depreciation insurance to cover all city schools. The three-year premium for the coverage will be \$6,559.

### Philadelphia Mariners Meet

The first meeting of the season of Mariners Club of Philadelphia was of a business nature and consisted of committee reports and plans for the fall. There were 60 in attendance.

### Stanbro Named Mortgage V.P.

Richard D. Stanbro has been elected vice-president and mortgage officer of General Guaranty of Winter Park, Fla. General Guaranty, primarily a fire and casualty insurer, has been in the mortgage business since 1953 in Winter Park and Orlando and now is entering the field on a state-wide basis. Mr.

# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### Hanson of NAIA Finds S. D. Case Does Not Blight Values in Agent's Payment of Premium

The recent South Dakota supreme court decision in the case of Standard Casualty vs Adell M. Boyd does not affect the conditional practice of local agents in the usual custom of extending credit, George S. Hanson, general counsel and secretary of National Assn. of Insurance Agents, states in an interpretive comment on the case. In the case, which has attracted wide attention, the court held that there was no automobile bodily injury liability coverage under the policy under which the premium was advanced by the agent to the company but was not paid by insured.

The fear was that this decision might put in question the traditional practice of local agents of extending credit to insured without requiring the premiums to be paid at the acceptance date of the policy. The court in its decision emphasized that one of the basic conditions, acceptance of contract, was missing in this case. Mr. Hanson comments that where an insurance contract has been completed, it usually is held that payment can be deferred without affecting the validity of the insurance policy.

The facts of the case are not in dispute. Mrs. Adell Boyd and her husband purchased an automobile in July of 1950 and at their request the dealer from whom they bought the car had a policy of liability insurance issued by a local agent representing Standard Casualty. This policy was in effect from July 5, 1950 to July 5, 1951. The premium was paid by the dealer with money furnished by the Boyds. Shortly before expiration of this original policy on July 3, 1951, the local agent, without solicitation or request, issued a new policy to Mrs. Boyd for an additional one year term. The policy was mailed to Mrs. Boyd. In January, 1952, the agent paid the premium to the company and on February 1 he wrote Mrs. Boyd to the effect that he, the agent, had not been paid for the premium which he had submitted to the company. He further requested that Mrs. Boyd inform him if the insurance should be continued or cancelled, stating that "we are carrying this amount of premium as owing us by yourself."

Testimony indicated that Mrs. Boyd opened the letter on the morning of Feb. 18, 1952, the day on which the accident involved in this suit occurred. Testimony was also to the effect that she intended to go in that day and pay the premium but had to change her plans and go elsewhere.

On this trip the collision occurred, so that the premium was never paid to the agent.

The policies referred to were the only insurance policies ever issued to the Boyds by this agent and the evidence was that the Boyds had never

written to the agent or talked with him about the policy in question after it was mailed.

As a result of the accident occurring Feb. 18, claims by third parties were made, and the insurer subsequently instituted an action for a declaratory judgment, seeking adjudication of its rights and liabilities arising out of the purported issuance of the insurance policy. The court in its opinion relied upon basic principles of contract law in deciding that the policy was not a valid contract and decided for the insurer that no coverage was in effect at the time of accident. The court

stated: "It is well settled that the unsolicited issuance of a renewal policy a short time prior to the expiration of the original policy is but a proposal or an offer to insure. As in the case of contracts generally it is essential to the creation of the contract of insurance that there be an offer or a proposal by one party and an acceptance by the other. Regardless of which party makes the offer or proposal, its acceptance by the other is necessary to the creation of the contract. The acceptance must be evidenced by some act that binds the party accepting. A renewal of a term policy is in effect a new contract of insurance and must have all the essentials of the acceptance, which may be express or it may be implied from the circumstances."

The third party claimants in this case contended there was a general custom among agents to renew the insurance of policyholders without request and in view of such custom a failure by insured to reject was tantamount to acceptance. The court conceded that this view had support in a number of decided cases, but held that this doctrine was not applicable in this case because it could not be availed of unless the custom is established and it is shown that the party relying thereon knew of it, or there had been a course of dealing between the parties from which it could be implied that the policyholder's silence or failure to reject the offer would be regarded as an acceptance. The court went on to say that none of these elements were shown to exist in this particular case.

The claimants further contended that Mrs. Boyd's receipt and retention of the policy constituted an implied acceptance. However, in disposing of this contention the court referred to cases in which dealings between the parties extended over a period of four or five years.

The court felt that the company, through its agent, had made the offer to insure, but that the record did not warrant or support the conclusion that Mrs. Boyd accepted the offer. There-

fore the policy involved was not a valid contract because one element necessary to its inception was absent.

In the usual situation, Mr. Hanson believes, if the company accepts a credit with its agent instead of actual payment as required by the policy, such a transaction is equivalent to payment so far as the company is concerned. Where the insurer looks for payment of premiums to the agent, according to custom of the agency system, payment by the agent is generally regarded as complete payment between insurer and insured. This general rule necessarily is subject to the existence of a valid insurance contract. Where essential elements to the formation of an insurance contract have been completed, actual payment of premiums can be deferred.

In the case of Brooklyn Life Ins. Co. vs Miller, (12 Wall. 285, 20 L. Ed. 398,) where this general question was before the U. S. supreme court, it was stated:

"Where the policy is delivered without requiring payment the presumption is, especially if it is a stock company, that a credit was intended, and the rule is well settled where a credit is intended that the policy is valid though the premium was not paid at the time the policy was delivered, as where credit is given by the general agent and the amount is charged to him by the company the transaction is equivalent to payment."

A similar problem to that considered by the South Dakota supreme court was covered in a 1952 case decided by the New York federal district court, Continental Casualty vs Rosenzweig, (105 F. Supp. 253.) This case also gave primary weight to basic principles of contract with the holding that a valid contract of insurance was not consummated because there had been no acceptance by insured of the offer of a renewal automobile insurance contract by the company. However, the court referred to the possibility that customary practice in the insurance business might have changed the outcome of the case had proper evidence

been presented which would lay the foundation for such an inference.

It is important that every agent have some knowledge of the basic principles of contracts since every policy of insurance handled by an agent, and of course every agency agreement, is a contract and subject to the customary legal rules surrounding its formation, Mr. Hanson emphasizes.

The elements of a contract are an unqualified and definite offer, an acceptance of the offer in its exact terms, a valid consideration, competent parties to the contract, and a legal subject matter.

An unqualified and definite offer must be made. There must be an unequivocal proposition capable of being accepted. Generally speaking, there must be no limitation on the offer. Frequently, mere offers to negotiate or broad invitations to do business are misunderstood as offers. An offer may be revoked before it is accepted.

An acceptance of the offer in its exact terms must be accomplished.

A supposed acceptance which changes the terms of the original offer is ineffective as it is in reality nothing more than a counter offer and amounts to a rejection of the original offer.

A valid consideration is an important element in any contract. Its fundamental basis is the fact that the law will not enforce a promise which is simply a gratuity except in the case of agreements under seal.

Another way of saying the same thing is that generally a promise cannot be enforced unless it is supported by a valid consideration. The promisee, the one who receives the promise from the other, must give or do something at the request of the promisor, the one who makes the promise to another, which is either a benefit to the promisor or a detriment, in the legal sense, to the promisee.

Competent parties are necessary to create a binding contract. This consideration becomes important when dealing with infants or insane persons. Generally speaking, a contract with

(CONTINUED ON PAGE 22)



Farmers Mutual Hail of Des Moines has moved into its new home office building, an expandable structure which allows adequate space for its four departments—dwelling fire, hail, automobile, and reinsurance. Plans allow for another floor if additional space is required. The

company began in business at Early, Ia., in 1932. One of the guests at the open house in the new building was John C. Stapel, secretary of Farmers Mutual Windstorm of Columbia, Mo., and president of National Assn. of Mutual Insurance Companies. The national association was founded by W. A. Rutledge, the founder of Farmers Mutual.



## From the diary of an Agency Secretary



Inland Marine. I'll just never forget the very first IM policy Mr. L had me type up. "But, Mr. L," I said, "doesn't it have something to do with waterways and . . . and things? And we don't have any water around here—not even a . . . a lake!" Of course Mr. L quickly explained IM to me, in his best my-dear-young-lady manner. That was three years ago. Since then, well, we've been doing a land office (oh dear!) business with Inland Marine and PLM. One of our policyholders calls it his "rest-easy" insurance. And it's no wonder, when you stop to think what it insures against what! "Profitable business, too," says Mr. L, "when you know your prospect. And you can't beat that PLM policy . . . ."

### MR. LOCAL AGENT

Are you getting your share of the potential profits in writing personal property under Inland Marine? The insuring public is showing an ever-growing interest in this single-policy, all-risk protection. PLM has just produced a business-getting folder on Inland Marine. Better send for a sample copy. You may want to put it to work for you. It's yours free.

### Pennsylvania Lumbermens Mutual Insurance Company

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### New Fire, Casualty Company in Maine

Maine Fidelity Fire & Casualty has been incorporated in Maine with an initial capital and surplus of \$3 million. Burton M. Cross, former governor of Maine, is president.

The company is a companion to Maine Fidelity Life, organized in September, of which Mr. Cross is chairman and president. The new company will offer fire and allied coverages eventually on a nationwide basis.

Other officers of the company are David B. Soule of Wiscasset, former insurance commissioner, vice-president; Homer E. Robinson, former banking commissioner and now vice-president of Rockland First National Bank, treasurer; and Curtis K. Gerry of Portland, secretary.

The new company is the second stock fire and casualty insurer to be organized in Maine.

### Agent's Knowledge Is Enough to Waive the Fire Vacancy Clause

In *Heindelman vs Home*, St. Louis court of appeals held that the prohibition of a fire policy's 90 day vacancy clause was waived because the agent knew that insured was not going to occupy the dwelling for more than 90 days. 8CCH (fire and casualty) 802. The Heindelmans purchased a small farm on which there was a partially completed dwelling designed but never used as such. The previous owner had carried \$800 of insurance on the building which was used as a catch-all for storage. The new owners told the agent, Hartmann, that they were going to finish the dwelling and wanted \$1,200 of insurance. The agent wrote the policy and collected the premium.

The court stated that it could not agree that the agent's mere knowledge that the building was unoccupied at the time he issued the policy would be enough to waive the 90 day vacancy permit. However, the court held as more significant the fact that the insurer through its agent knew that there was no intention to complete and occupy the building as a dwelling within the 90 day period, yet it issued its policy excusing itself from liability in such as that. The fact that the time element was discussed by Heindelmans and Hartmann is persuasive, and the disagreement as to what had been discussed between the agent and the property owner the court resolved in favor of the owner.

Earl L. Veatch of Monticello, Mo., represented Heindelmans, and J. A. Zenge and Robert Minor of Canton, Mo., Home.

### Propose Compulsory Rate Hike for Trucks, Taxis in Mass.

A public hearing will be held Oct. 28 by Insurance Commissioner Humphreys of Massachusetts on the proposed increase in compulsory automobile rates for trucks and taxicabs. The increase would be 7% for trucks and 2.5% for taxis. This is in addition to the proposed 5.1% increase for private passenger cars.

Meanwhile legislators have called on Gov. Herter to call a special session to repeal the demerit system, but it is not believed the governor will do so.

The increase in commercial vehicle rates is based on loss experience and increased claim costs.

### J&H to Minneapolis

Johnson & Higgins is opening the firm's 21st office in Minneapolis, under A. C. Fellows who resigned as vice-president of the Charles W. Sexton Co., Minneapolis to join J & H.

### O. P. Bennett Appointed Iowa Commissioner

Oliver P. Bennett, 63, attorney at Mapleton, has been sworn in as the new Iowa insurance commissioner succeeding the late Charles R. Fischer.

Mr. Bennett graduated from Drake law college in 1915, then was with the New York Life real estate and loan division for a short time and later served as Monona county attorney. He served in both world wars, was judge advocate of the Iowa selective service board and retired as a colonel in the Iowa national guard in 1952. A law partner of a former attorney general, Mr. Bennett was in the state senate for three terms some years ago.

Mr. Bennett, whose name had not been mentioned as a possibility for the post, will serve out Fischer's term, which ends June 30, 1959. The appointment, however, is subject to confirmation by the Iowa senate when the legislature next convenes.

Mr. Fischer died Sept. 8 and since that time the department had been in charge of Samuel C. Orebaugh, deputy commissioner. Mr. Orebaugh had been among those mentioned for the post.

### Montana Mutual Agents Elect Morris Sanford

Morris Sanford of Helena was elected president of Montana Assn. of Mutual Agents during the convention at Great Falls last week. He succeeds M. K. Bjorklund of Glasgow. Frank Berryman, Butte, is the new vice-president, and Mrs. Lillian Kirkpatrick, Roundup, is treasurer.

Speakers included Clark Booth, vice-president of Oregon Mutual Fire and H. L. Petrey, vice-president at San Francisco of Central Mutual. There was a film on office methods and procedures.

### Wm. H. McGee & Co., Inc.

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### CASUALTY VICE PRESIDENT

This position is for a man with an extensive Casualty background to set up and operate a Casualty Company. The Fire company is already well established and they guarantee no interference in operation. Salary \$15,000.

Of course, all correspondence is confidential.

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## Rhode Island Agents Have Record Parley

### 400 Hear Neumann Extoll Hard Work, Knowledge As Keystones of Good Service

PROVIDENCE—The agency system must take inventory of its methods from time to time to make sure it is merchandising insurance in the right manner, Joseph A. Neumann, immediate past president of National Assn. of Insurance Agents, told the Rhode Island association at its banquet Oct. 17.

Nearly 400 members and guests, the biggest turnout in association history, heard the speaker declare that there is no substitute for thorough knowledge of his merchandise and hard work if the insurance agent is to serve his community well.

"Mr. Agent, know your product, and then ring every doorbell in America," Mr. Neumann admonished.

He said an inventory must disclose moral honesty on the part of the agent through belief in his product.

"If there be one agent within the sound of my voice who is not himself sold on what he is selling, not himself sold on insurance as the great balance wheel of our economy, not himself sold on the contribution he is making to the welfare of his community, not sold on himself, then he cheats not only himself but the public as well," Mr. Neumann said. "He had best seek a field less troublesome to his conscience."

At an afternoon business session, all association officers were reelected for another term, the second for all but Secretary-Treasurer George C. Hughes, who was named for a seventh term. Other officers are John F. Kirby of Woonsocket, president; Howard R. Chase Jr., state national director, and the following regional vice-presidents: John Andrade, Bristol county; Howard F. Wheelock, Kent county; Raymond Flint, Newport county; Elwin T. Gammmons, Providence county and Louis Panciera, Washington county.

In his annual report, President Kirby reported that the association for at least the fourth year will press upon the 1956 Rhode Island state legislature the desirability of enacting so-called "controlled business" legislation that would deny an insurance agent's or broker's license to those whose activity in the insurance business deals primarily with writing up property they control.

While this spring's campaign failed to get the legislation enacted, "I can assure you that we did make progress in educating members of the general assembly that our bills have merit, and I look forward with a great deal of hope that next year these bills will be passed," Mr. Kirby said. The legislation has been opposed by a powerful lobby representing automobile dealers.

Mr. Kirby reported that he appointed a special committee with Walter L. Cronin Jr. as chairman which has recommended a year's newspaper advertising campaign as a public relations program. Association directors have approved the plan which has been referred to its finance committee to determine whether funds are available, Mr. Kirby said.

He reported member agencies now number 319, a gain of 12 members during the year, and that the association improved its position nationally in the "membership development to stand-

ard" category from seventh to fifth place.

He reported further that the Rhode Island Assn. at the eastern agents conference in Baltimore introduced a resolution that was adopted requesting insurance companies writing business in the area to make available "wave-wash and overflow tidal water coverage to the public at a rate commensurate with sound rating and underwriting practices." New England and the northeast have been flood-damage conscious since Hurricane Carol in 1954 and Hurricane Diane of last August.

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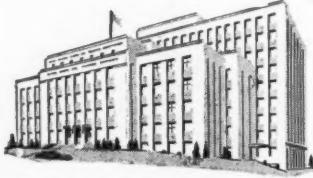
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## Tenn. Regulations to Control Credit Life, A&H Effective Nov. 1

Regulations for the control of credit life and credit A&H have been announced by Tennessee Insurance Commissioner Northington, effective Nov. 1. The new rules provide that the coverage may not exceed in value the original amount of the loan; a copy of the policy or a certificate must be issued to the borrower; all policies, forms and rates must be approved by the insurance department; the term must not exceed the term of the loan, and all policies must be issued by licensed agents or brokers.

The new regulations are designed to meet criticisms, but the insurance department intimated that if they prove insufficient, additional legislation will be sought in the next legislature.

The Tennessee regulations depart from the recommendations of National Assn. of Insurance Commissioners in some respects. They are apparently directed principally to the problem of short term credit and specifically exempt life or A&H sold on an individual contract basis in connection with real estate loans of more than 36 months duration.

Among the new rules are that credit life policies shall contain no provision for additional accidental death benefits. Credit A&H shall provide loss of time disability benefits only. The rates for credit insurance are to be filed with the insurance commissioner.

If the indebtedness is discharged, thereby terminating the coverage, the return premium shall be promptly paid. If the cover is not automatically terminated, insured shall be given the option of cancelling or retaining it until its expiration. If cancelled, the return premium shall be promptly paid insured or credited to his account. The formula for computing the return premium shall be filed with and approved by the insurance commissioner. The option to cancel or to retain shall be written either as a part of the policy or certificate or by separate statement furnished to debtor at the time his loan is renewed. The responsibility for these conditions are on the agent and company alike. Failure by the agent to enforce these provisions is cause of the cancellation of his license.

No one other than the insurer or its representatives may settle or adjust claims.

**Brady Thomas**, Utica, N. Y., local agent, is purchasing the Justin J. B. List agency at Frankfort, N. Y. The List agency has been conducted since Mr. List's death last year by his widow, Mrs. Frances List.

**North & Sloman**, White Plains, were appointed general agents of Fireman's Fund Indemnity. Stewart S. North, president of the agency, formerly was a local agent of the company.

**Insurance Women of Southern New Jersey** at a meeting in Camden, N.J., presented plaques to Miss Elizabeth DeCesari, national president, and Miss Doris Platt, corresponding secretary, for their outstanding service to the organization. Miss Ada MacGregor, of New York, director of Region I, was also honored.

**Insurolettes of Canton (O.)** recently held a bosses night banquet, which included a musical program. Several members of Insurance Women of Akron were guests.

October 20, 1955

## Insurer Requires Appraisal, Which Sets Cover; Not Valued Policy, Court Holds

Requiring insured to submit an appraisal to obtain jewelry or fur insurance and using the appraised amount as an amount of insurance does not obligate the insurance company to pay that amount in event of loss, the appellate division, first department, of the New York court decided in the NAIMAN case (131 N. Y. supplement 2nd, 241).

Harold S. Daynard, inland marine adjuster, New York City, comments on the case in the bulletin of Inland Marine Claims Assn. of New York. Mr. Daynard is chairman of the association's law committee.

In the absence of an agreement as to value, the appraisal itself is neither evidence of the value of insured property nor of the existence of insured property, Mr. Daynard comments. These principles have been urged by inland marine adjusters for years. They were clearly set forth as a matter of law in the Naiman case.

A thorough familiarity with this case is worthwhile because it answers many questions frequently asked by insured and their representatives about this type of policy, Mr. Daynard believes. Here is a summary of the facts and holdings:

Insured had a jewelry and fur floater listing and describing 17 items of jewelry and six items of fur with a specific amount of insurance on each article. Before insuring these articles, she submitted to the company, as required, a written appraisal of value on each item.

A theft occurred involving items insured for \$40,500. Insured made claim for exactly that amount. This the insurer resisted, which led to litigation over the question as to whether the insurer was obligated to pay the amount of insurance or an amount which it thought to be the actual cash value of the articles at the time of the loss, which was less.

In the lower court the judge charged the jury that the policy was a valued one as a matter of law and that the amount recoverable is the amount stated in the policy without regard to the actual value of the items themselves. The judge stated throughout the trial that it was not necessary to offer proof of the value of the property. He refused to charge the jury that the amount of recovery must be limited to the market value of the property at the time of the loss. Accordingly, the jury returned a verdict of \$40,500. This action of the lower court was unanimously reversed on appeal.

The appeal court held that a valued policy is one in which the parties have agreed upon the value of the property insured in the event of a future loss. The court pointed out that an agreement of this kind is conclusively binding upon the parties except in case of fraud or mistake.

The court reiterated the historical concept that policies like the one involved are agreements of indemnification. "They are designed to compensate an insured for the actual property loss he has sustained," according to this court.

The court distinguished between an open and valued policy.

"In the more familiar form of coverage (the so-called open policy as distinguished from the valued policy) — the amount of insurance set forth in the policy is only a statement of the

limits of coverage. Up to but not exceeding these limits the insurer will pay the actual value of the property loss—an uncertain amount at the time the policy is underwritten. Therefore, the limits of coverage of an open policy are no evidence of the extent of the loss or the value of the property lost."

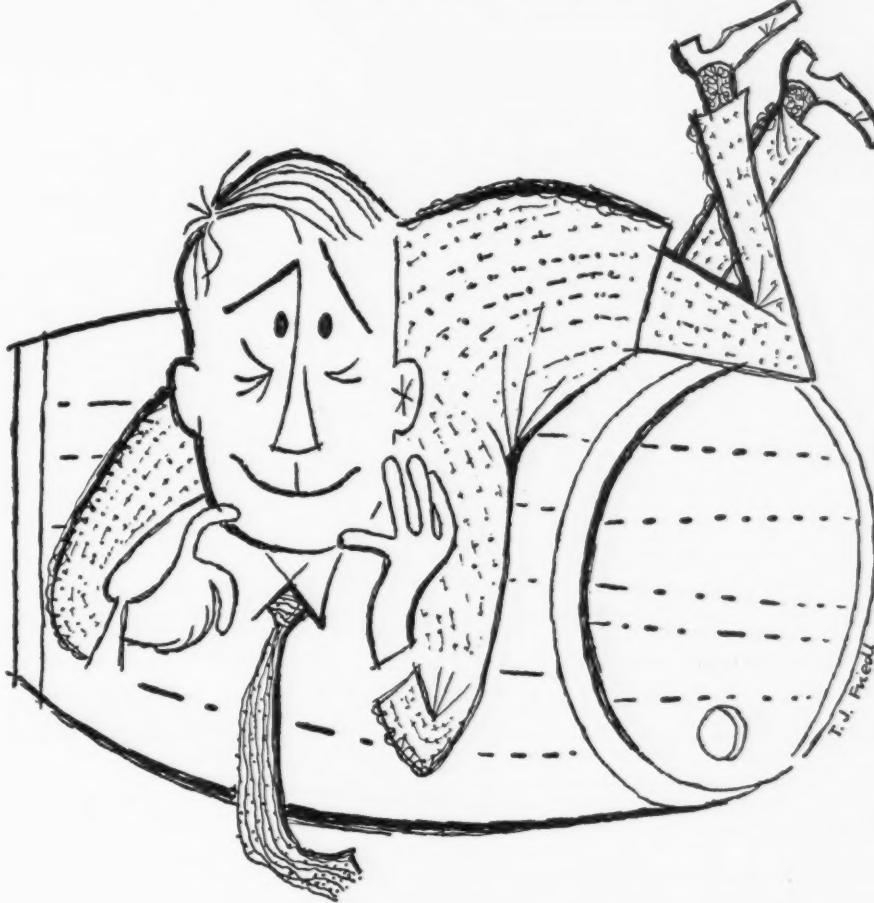
There can be no objection to prede-

termining the amount of the possible loss on some basis reasonably calculated to fix the fair value of the insured property, the court went on. Conceivably, to fix value beforehand may often be a truer method than to explore value after the event insured against has caused the loss or destruction of the property to be evaluated. And many insured and insurers are genuinely moved to work out some basis for the avoidance of unpalatable haggling and burdensome negotiation or litigation about value in event of loss. Of course, a valued policy may

not disguise a wagering contract or be used as a vehicle for fraud. Ordinarily the amount of insurance set forth in the policy is the measure of coverage rather than of damages. The mere statement of the amount of insurance does not create a valued policy.

In the leading case of Lee vs Hamilton Fire, 251 N. Y. 230, the court of appeals set great store by the necessity for inclusion of precise words of valuation in the policy: "A valued policy is one in which words 'valued at' appears and the amount at which the

(CONTINUED ON PAGE 27)



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## EDITORIAL COMMENT

### Continuation of the Local Agency I

The distribution of insurance is a personal business. Much of its success depends on the personality and skill of the individual local agent. But from the standpoint of the local agency as a business, this constitutes one of its real weaknesses. Few agencies survive the passing of the man who founded them. They are sold to a competitor, usually for very little, or they simply dwindle away.

This is an easy business to get into. Companies will appoint as agents anyone who can give them business—barbers, bartenders or bankers. The other day a fireman lost his job in New York City when it was discovered he had a producer's license. The discovery was made when the fireman answered an alarm. A store was burning and arson was suspected.

"My lord," the fireman blurted, "this is my risk."

But it is also an easy business to get out of—die out, sell out, or get pushed out.

There is a logical reason for this. It is because, in a business sense, the agent is wedded to his own generation, and if he does not take steps to perpetuate his business, he is going to ride with his contemporaries out of the business.

There are life insurance agents who, at 55, are looking around for something to sell their contemporaries. Their contemporaries are not buying additional life insurance. Their contemporaries' children are grown and gone—they are buying insurance from their own contemporaries. These members of the older generation have all the life insurance they are ever going to buy. Their pensions have been established. Their A&H needs are taken care of. There he is, the life agent, successful in his generation. But the needs of that generation for his services are decreasing or have disappeared.

The local agent is not in a different position. There comes a time when the needs of his contemporaries decline. His client buys a smaller home, or moves into an apartment, or retires to another part of the country. The firm owned by his friend and customer passes to another generation, or is merged, or sells out. The client is no longer expanding, he is as a customer shrinking or gone.

Note how the local agent not only concentrates his attention on his contemporaries, but if, in the earlier days,

he gets out of his own generation, he looks to the man ahead in time, the man who has more property to insure and more money to buy insurance.

As time goes on and the local agency begins to reap a harvest of success from the efforts which he has built into his business, he finds himself so busy reaping an increasing harvest that he is reluctant, naturally, to believe that this acceleration will not go on forever.

It is the privilege of local agents to lead what is to them a satisfactory business life with their own generation, and, when it is time to close the books, to close them. They do not worry much about perpetuating their business as a business through one generation to the next.

But it does seem a shame that a fine enterprise, created with so much effort and performing so satisfactory a function in the community should evaporate.

If, on the other hand, the local agent wants to have enough to retire on one day, or if he feels he ought to leave an estate so that his widow will have enough to attract another husband, he should do a little planning ahead of time. If he waits too long, he will have no choice—he won't have much of value either to sell or leave his heirs.

There are two problems involved in perpetuation of the local agency business.

1. To whom is the agent going to sell his agency when he is ready to retire—for what it is worth? He can sell it to a younger partner, if he has one. Or he can wait and sell it to a competitor. If the latter, the agency won't be worth as much, and he will be lucky to get even that much for it. So the agent needs to establish a relationship with the younger generation inside his business. This can be a son, a son-in-law, a nephew, or simply a younger man. But without him, the history of agencies shows, the agent simply is not going to have a decent market for what he has spent his generation building up.

2. The other problem is agency volume. How good an agency is the local agent going to have when he is 65? Here again the agent must face the younger generation and deal with it. The local agent is impelled by various forces away from the younger generation but one of the most compelling is the fact that younger people do not

buy much insurance, they are not, to begin with, A No. 1 customers. They buy more on price, they need credit. The agent cannot find many of them at the Rotary Club but must look for them at home at night. This is one reason the local agent looks for commercial instead of personal accounts—more premium is available, and the agent gets a much larger return per hour of invested time and service.

Thus young business does not often impress either the struggling or the successful agent as desirable. Yet it almost has to be at the very peak of his success that the local agent starts planning for what is going to happen to him and his business in the years ahead.

The agent may think that he can by himself get enough business from younger generations to maintain the position of his agency in the succeeding generation—without a partner or prospective partner who is younger. But in general no one can understand the problems, including the insurance problems, of one generation as does a member of that generation. At least he cannot understand it the same way that the local agent understands the insurance problems of his own generation.

With a younger man or woman in it, the local agency has a built-in growth element that will enable it to survive time and maintain continuity. This is the way to reach the new business—the business that is being created by new needs and new people—and it is the way to stay in business.

weeks for a trip that he has always desired. He had a \$20,000 boat built for him at Louisville, 44 feet long, a two hulled affair, powered with two 100 h.p. marine engines, which he is navigating down the Ohio, the Mississippi, and which he plans to operate across the gulf to Florida. The boat is named the A.W.O.L., and flies a Confederate flag. His son, Bob Siegrist, 22, is assistant skipper.

**Commissioner Joseph A. Navarre** of Michigan, who has just been appointed to serve another four-year term, has been in office since July 5, 1952, when he assumed office to fill out the term of David A. Forbes who had resigned.

The office had been placed on a four-year term basis by legislation enacted during Forbe's incumbency and he had been named to the first full term as commissioner.

Mr. Navarre, who now will serve until Oct. 11, 1959, providing the senate gives its anticipated approval, is an attorney by profession and was practicing law actively in Jackson when appointed. He has been exceptionally active in affairs of National Assn. of Insurance Commissioners and is now serving as chairman of the executive committee.

As a department executive, Commissioner Navarre won praise from this state's "little Hoover" commission for his reorganization and departmentalization of the state's supervisory bureau. He also inaugurated a series of department institutes, addressed by recognized authorities on various aspects of the business, and marked by panel discussions and round tables intended to familiarize departmental employees with all functions of the department and with the basic fundamentals of the business.

A group of members of Insurance Board of Cleveland last week gave an 80th birthday luncheon for **Max S. Freiberger**. It is the tradition of the board to honor its members on their 80th birthdays.

Mr. Freiberger is founder of the Freiberger agency of Cleveland and is still active, coming to the office daily. He started in business in 1905 with the Phyper Bros. Co., and shortly after founded his own agency. In 1940 he turned the business over to his son, Irwin L. Freiberger, and upon Irwin's death in 1951 his widow, Mrs. C. P. Freiberger, continued the agency. Mr. Freiberger's grandson, Irwin L. Freiberger Jr., is now training for admission to the agency.

**Roland H. Lange**, vice-president of Hartford Fire, this month completed 25 years with the organization. In

## PERSONALS

**Richard Sprague**, associate state agent of Home at Salt Lake, and Miss Jane Hardin Gibson of Sussex, N. J., were married at Sussex.

**B. H. Mercer**, president of the Fidelity & Deposit has been elected a director of the Beavers, a recently-formed organization composed mostly of companies and men who have built, or are building, dams, bridges and other large construction jobs in the west.

**Baylor Landrum Jr.**, partner in the Vaughan agency of Louisville, victim of a polio attack some months ago, is now coming to the office daily in a wheel chair, but expects to be able to discard the wheel chair in a couple of weeks.

**Calvin Fentress Jr.**, president of Allstate, has been named chairman of the business advisory group of the President's Committee on Highway Safety.

**Howard Siegrist**, general agent of Bridgeport, Conn., is taking off a few

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honor of the event, James C. Hullett, president and chairman of the finance committee of Hartford Fire, gave Mr. Lange the companies' engraved wrist watch and 25-year gold service pin. Office associates presented Mr. Lange with several gifts. He received several baskets of flowers.

Mr. Hullett, in his presentation, commented on the fact that the occasion was also the 25th anniversary of his friendship with Mr. Lange, as they met the day Mr. Lange made application for a position with the Hartford Fire in the western department at Chicago. Mr. Hullett was with the company one year and was called in by the manager to give his estimate of the applicant. The relationship continued through positions in the office, in field work and now in administrative responsibilities.

Since his appointment to the executive staff at the home office in 1950, Mr. Lange has assisted in general administrative functions, including liaison work with certain departmental offices, and has taken part in the work of various boards and committees. He was elected Hartford Fire secretary in 1951, and vice-president and secretary in 1953.

**Mrs. Pearl K. Jeffery**, who operates the Jeffery agency of Columbus, Kan., was honored last week on her 50th anniversary in the business. She was given a luncheon at the Dixie hotel, and in the evening there was a reception in her honor. More than 500 floral tributes and gifts from all over were sent to Mrs. Jeffery to mark the anniversary.

## DEATHS

**FRANK R. BLOOM**, 65, owner of the general agency of E. B. & F. R. Bloom of Pine Bluff, Ark., died at his home there. The agency started as a local agency in 1908, and in 1923 Frank R. Bloom was appointed state agent of Camden Fire. The agency continued to operate as both a local and a general agency until 1932 when it commenced operating as a managing general agency.

**CLARK N. HUNT**, 87, retired special agent of the Great American at Los Angeles, died at his home in Pasadena.

**WILLIAM PRICE**, 64, retired manager at Los Angeles for General Accident, died in San Francisco.

**MARSHALL RANKIN**, Los Angeles manager of Aetna Fire group, died at St. Vincent's hospital, following a lingering stomach ailment.

Mr. Rankin began his insurance career as an office boy with the Aetna group at San Francisco 42 years ago. Passing through the underwriting department, he was dispatched to the field and served at Seattle, Salt Lake City and Sacramento before being

transferred to Los Angeles in 1932. He was one of the leading members of the industry in Southern California in promoting education. He was a past president of Southern California Fire Underwriters Assn.

**ALFRED J. WOODWARD**, 67, retired marine superintendent of Aetna Fire at Boston, died at Clearwater, Fla. His home had been in Needham, Mass.

**JOSEPH W. KRIEGER**, 71, head of the Joseph W. Krieger agency of South Louisville, died at his home. His son, Joseph M. Krieger was associated with him in the business.

**WARREN LESLIE JR.**, 56, of Rollins Burdick Hunter, died at a New York City hospital.

**JAMES T. ATKINS**, 71, of Nags Head, N. C., retired local agent, died.

**MRS. CLAUDE T. SPAULDING**, wife of the vice-president of Aetna Life group in charge of the New York office, died at her home in Short Hills, N. J.

**WILLIAM E. MURDOCK SR.**, 54, local agent at Elmira, N. Y., since 1925, died. He was president of Chemung County Insurance Agents Assn.

**NORMAN R. REITAN**, 61, founder of the present Reitan-Lerdahl & Co. agency of Madison, Wis., died after a long illness. He founded the agency in 1922 but was inactive for several years due to poor health. His brother-in-law, Harold B. Shier, is now president.

**DONALD R. EASTMAN**, 63, retired chief engineer of Continental at Birmingham, died at his home in Atlanta. He had been with the company 38 years.

**FREDRICK R. CAREY**, 73, who was a vice-president of Chester W. Newman Co. agency in Yonkers, N. Y., and who had been associated with that firm for more than 50 years until his retirement, died there.

**RAYMOND M. JONES**, 66, senior member of the local agency of Fowlkes & Jones at Birmingham, Ala., for many years, died there after a long illness. The firm presently is Fowlkes & Jones & Lee McGriff.

**JAMES D. SMITH**, 83, Utica, N. Y., local agent with Smith & Briggs agency since 1928, died at a hospital there. He was former mayor of Utica, a former assistant state commissioner of correction and former assistant state tax commissioner.

**JAMES A. VAN ZANDT**, 63, vice-president of the New York brokerage firm of Quenzer & Van Zandt and operator of a local agency under his own name in Jersey City, died at his home in Ridgewood, N. J. He started in business in 1909 with Continental, went with Merchants Fire of New York in 1916, and entered the agency field in 1923.

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S. D. Case Doesn't Mean Agents Can't Give Credit  
(CONTINUED FROM PAGE 15)

a person under 21 is valid but is voidable at the will of the infant. This would be true even though the infant has intentionally and fraudulently misstated his age and thus induced the innocent party to contract with him. Contracts with one adjudicated insane are absolutely void, but contracts made with a person of unsound mind who has not been adjudicated insane are voidable at his election upon recovering his reason or at the election of a committee appointed for him.

The subject matter of the contract must be legal. If the basis of the whole agreement is tainted with illegality, enforcement of the promises will be denied. This concept is merely an extension of the one mentioned above, which stated that consideration to support a contract in order to be valid must be legal. A promise in consideration of the suppression of evidence is void and is an example of the type of illegality contemplated here.

Elements entering into consummation of an insurance contract were well stated by the third circuit court of appeals in Pacific Mutual vs Vogel, (232 Fed. 337, at page 340,) in the following words:

"It is clear, that, in the absence of statute upon the subject, the mere delivery of a renewal premium receipt does not create a contractual obligation on the part of an insurance company, though by its terms it purports to continue the policy in force. The renewal of a policy of insurance is in itself a contract of insurance, which, like any other contract, cannot be consummated without the mutual assent of the parties. Such a contract has its inception in a proposal, and its completion in the acceptance of the proposal. Until by some word or act of the insured, acceptance of the offer is expressly made, or from evidence of an established course of dealing between the parties, acceptance is necessarily inferred, no contract of renewal is created. When an offer to renew is accepted it becomes a contract of renewal upon the terms agreed upon, whatever they may be. The insurer may demand payment of premium upon the delivery of the receipt. Then there is no contract of insurance until the premium is paid. Or the insurer may waive its right to payment of premium before assuming liability, give a credit as to payment and enter into a contract complete in all respects, the subsequent payment of premium being a matter of performance and not a condition of the contract. Then liability exists from the consummation of the contract, though payment of the consideration for the liability be deferred to a future day."

### Home Names New Brooklyn Managers

Home has appointed John T. Scott III manager in Brooklyn. Harold L. Kinzinger, state agent on Staten Island, transfers to Brooklyn as assistant manager.

Mr. Scott joined Home in 1929 as special agent in Philadelphia, transferred to Brooklyn in 1931 and became assistant manager there in 1938. He became co-manager in 1948 and then production manager. Mr. Kinzinger joined Home's metropolitan department in 1938, later served as a special agent at its Forest Hills, Midtown and Staten Island offices. In 1953 he became Staten Island state agent.

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October 20, 1955

## Homeowners Panels Set for Five Indiana Areas

A series of panel discussions on homeowners policies have been scheduled for local agents in five Indiana areas by Indiana Fire Underwriters Assn., Indiana Casualty & Surety Managers Assn., Surety Assn. of Indiana, and Indiana Assn. of Insurance Agents.

Edward W. Melsch of Sun is general chairman of the program, which will be held at Fort Wayne and New Albany on Oct. 25; Gary and Evansville on Oct. 27, and Indianapolis on Nov. 1. The Fort Wayne meeting will be held at the Hotel Van Orman with Richard P. White of Hanover Fire as moderator. Mr. White will also act as moderator at the Gary program in the Gary Hotel. Don G. Kaga, American of New Jersey, will moderate the New Albany and Evansville discussions at the New Albany Country club and Smitty's restaurant, respectively. Edward P. Ressler, National of Connecticut, will lead the Indianapolis session at the Indianapolis Athletic club.

Discussions will center on educational and sales ideas and will be followed by question periods.

### Buyers' Publication

#### Increases Issues

*National Insurance Buyer*, official publication of National Insurance Buyers Assn., will step up its publication from four to six issues a year beginning Jan. 1. The magazine was first published in 1954.

### Field Men of Hanover

#### Study Start of Casualty

Home office executives of Hanover Fire, including W. E. Stansbury, casualty vice-president, and Kenneth A. Bostic, casualty claims manager, met last week in New York City with field men from the eastern section of the

U. S. to discuss various matters but principally the entry of the company into the casualty field and the production and handling of casualty business. Paul H. Barr, western department manager, was on hand. He will hold his western department field meeting, with special emphasis on casualty, in Chicago the week of Nov. 6.

### No Mark of Entry on Safe, No Cover, but Burglar Admits Theft

SOUTH BEND—Superior court here has denied a claim of a cafeteria for a safe burglary because there were no visible marks of entry on the safe, even though the burglar, who is now serving 10 years in the Indiana Reformatory, admitted taking the money by working the combination.

Mrs. Millicent Fallendorf was seeking \$750 from Great Central of Peoria as partial recovery of her loss of \$1,735 in a 1953 safe cracking. Superior Court Judge Dempsey held for the insurer when it contested the claim on the point of visible marks of forcible entry. There were screw driver marks on a door leading into the cafeteria and on the strong box within the safe, but no marks on the safe itself. Robert Marlin, who admitted the theft, was brought from the penitentiary to testify, and said he took the money by fooling with the combination until the safe opened.

### Schley Named at Chicago by George Brown & Sons

Ralph D. Schley has been appointed production manager in Chicago for George F. Brown & Sons, Inc., and Interstate Fire & Casualty, succeeding John C. Hickox, who recently went into the printing business. Mr. Schley since 1950 had been with the National Surety, having completed the company's training course in New York and started with them in casualty underwriting. He then handled production and was later a Cook county special agent.

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### Head Underwriter of Berkshire Mutual Fire

Clarence B. Anderson Jr., assistant secretary of Berkshire Mutual Fire, has been named chief underwriter. He succeeds John F. Stehling Jr., who resigned.

**North & Sloman**, White Plains, have been appointed general agents of Fireman's Fund Indemnity. Stewart S. North, president of the agency, formerly was a local agent of the company.

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## FIELD

**Hawkeye-Security Names Carey, Hood in S.D., Ill.**

George Carey has been appointed field representative in South Dakota, and Ernest Hood field representative in southern Illinois for Hawkeye-Security.

Mr. Carey was a local agent for 15 years and a special agent for 3½ years in South Dakota prior to his appointment. His headquarters will be at Sioux Falls.

Mr. Hood has been with Hawkeye-Security since 1953, as an audit-engineer and audit-engineer supervisor in Springfield, Ill. His headquarters will be at Springfield.

**Wis. Fire Prevention Assn. Starts Inspection Season**

WISCONSIN RAPIDS—Wisconsin Fire Prevention Assn. started its fall season of town inspections at Wisconsin Rapids in cooperation with the agents' association and civic groups. About 50 field men and engineers participated in 250 inspections of public and mercantile buildings. The final dinner was addressed by Robert Mielke, Phoenix of London, president of the prevention association.

Mr. Mielke plans to step up the town inspection program in the state during the coming season. He has appointed H. E. Schwenke, Fireman's Fund, and Jesse Johnson, Sun, to arrange for an inspection of Oshkosh Nov. 9-10 in cooperation with the local board.

The state association recently conducted a school for new field men in Milwaukee, briefing them on duties and methods to be used in town inspections. John Wilkinson, chief engineer of Fire Insurance Rating Bureau, discussed electrical problems which may be encountered in a town inspection, and Wilbur Sampson, Fireman's Fund, analysed the chemistry of fire in connection with heating devices encountered during inspections. Larry Mulcahy, National Fire, and Mr. Johnson assisted Mr. Mielke in conducting the school.

**Sprague Becomes Utah State Agent of Home**

E. Richard Sprague, associate state agent of Home at Salt Lake City, has been made state agent there. He joined Home in 1942 as special agent in Newark and in 1954 transferred to Salt Lake City as associate state agent.

**Archambault to Minn. Post**

Sun has appointed George L. Archambault state agent for Minnesota to succeed Robert E. Caldleugh, who resigned to enter a local agency at Robbinsdale, Minn.

Mr. Archambault will have headquarters at 609 Syndicate building, Minneapolis. He was formerly a special agent and a member of a Minneapolis agency.

**Sheppard to Missouri Post**

Camden Fire has appointed Joseph D. Sheppard Jr. special agent for western Missouri with headquarters at Springfield.

He had been in the local agency business at Springfield for six years.

**Tipton to Va. for Cherokee**

Cherokee has appointed Enoch W. Tipton Jr. state agent for Virginia.

He was formerly vice-president in charge of sales for the Bennett & Edwards agency at Kingsport, Tenn.

**Doremus Speaks at N. J. Fieldmen's Assn.**

Fred W. Doremus, manager of Eastern Underwriters Assn., will speak on changes in forms, rates and coverages recommended by EUA at the Oct. 24 meeting of New Jersey Insurance Fieldmen's Assn. at the Robert Treat hotel in Newark.

**Agricultural Appoints Reyell in Wis., Mich.**

Agricultural has appointed Robert J. Reyell state agent in northeastern and southern Wisconsin and the upper peninsula of Michigan.

Mr. Reyell succeeds Howard J. Zibble, formerly in charge of the territory, who is transferring to the home office to take charge of the new casualty engineering department.

**Golden Belt Puddle Elects Schumacher Big Toad**

Golden Belt puddle of Kansas Blue Goose has elected A. B. Schumacher, Aetna Fire, as big toad; C. E. Jones, Western Adjustment, as polliwog; B. E. Scott, Western Adjustment, croaker, and R. J. Kille, Hartford Fire, bouncer.

The new officers were installed by George Erickson, New Hampshire Fire, deputy most loyal grand gander.

The puddle decided to hold its Christmas party at Great Bend in early December.

**Fireman's Fund Names Triemer La. Special Agent**

Arthur E. Triemer has been appointed special agent in Louisiana for Fireman's Fund group, with headquarters at New Orleans. Mr. Triemer started in insurance with Louisiana Rating & Fire Prevention Bureau, and for nine years has been in the Louisiana field for North British.

**American Names Foxworth Special Agent at Detroit**

Donald Foxworth has been named special agent at Detroit for American. He is a graduate of the University of Michigan and has had four years experience in the Detroit area.

**Hake Joins Aetna Fire as Illinois Special Agent**

Nelson L. Hake has joined Aetna Fire as special agent at Springfield, Ill. He succeeds Wayne S. Sinclair, who has been promoted to state agent at Mt. Vernon, Ill.

Mr. Hake has had field experience and was an adjuster for a number of years. At Springfield, he will be associated with State Agents J. J. Rusco and U. C. Johnson.

**So. Cal. Field Men Meet**

LOS ANGELES—Thomas G. Fisher, special enforcement officer with the California fire marshal's office, addressed the October meeting of Southern California Fire Underwriters Assn., calling attention to unusual happenings in institutions and public places.

Candidates for election at the November meeting were presented by the nominating committee. They are: President, Richard Wright, Rathbone, King & Seeley; vice-president, Ray Swanson, New Zealand; secretary, Howard Boyd, Hartford Fire.

**To Inspect Valley City, N.D.**

North Dakota Fire Prevention Assn. will inspect Valley City Nov. 8 and 9. Mutual Bonding and Wolverine have Whitacre, U. S. Fire, and Byron Anderson, St. Paul F. & M., are in charge of arrangements.

**ACCIDENT & HEALTH****Stumpf Predicts Big A&H Future and Tells Agents How to Get It**

About 70 members and guests attended the October meeting of Chicago A&H Assn. at which Charles B. Stumpf, Wisconsin general agent for Illinois Mutual Casualty, was the featured speaker.

Mr. Stumpf claimed that even though A&H is a big business now, even more remarkable advances can be expected in the future, because companies are producing contracts better suited to customers' specific needs. He accused the industry, however, of being terribly negligent in advertising their products. "The agent needs advertising," he said, "and it is the duty of the home office to contribute to a program which will awaken the community to the service the agent offers."

He stressed the importance of the agent's learning the customers needs before attempting to sell him; planning his sales procedure, and following through on the line of attack he has chosen. "The answer to a great many selling problems," he said, "lies in programming the buyer's A&H needs. With an A&H program the agent can show the buyer what is available, how to purchase it, and can follow up with calls from time to time so that the buyer will keep him in mind and not his competition.

Mr. Stumpf described his approach to the buyer in the following steps:

(1) Get the buyer first interested in the basic hospital-surgical plan.

(2) Proceed to the major medical or catastrophic program.

(3) Follow up with disability income under these phases:

(a) Mortgage plan to save his home when he is hospitalized or disabled.

(b) Bread and butter insurance to see that his family has the necessities of life.

(c) Other monthly payments to take care of bill collectors.

(d) Luxury insurance to take care of anniversaries, birthdays, etc.

(e) Make sure the buyer knows this is tax free income.

In conclusion, Mr. Stumpf told the agents to sell from the heart to the heart because it is closer to the pocket-book than a man's head.

The meeting opened with Robert L. Seiler, president, Paul Revere Life, calling upon Edward Brown, International A&H Assn., to give a brief resume of the national A&H picture. Mr. Brown stated the future looks promising with several states working on A&H legislation. He cautioned agents to keep alert to the social security program in Washington, warning that passage of certain sections which have been proposed would seriously threaten the A&H business. William G. Manzelmann, North American Accident, spoke briefly on the association's plans for the annual orphans' Christmas party, to be held Dec. 13.

**Company Offers New Line**

Independence of Los Angeles has brought out a new series of disability income policies offering sickness and accident or accident only coverage for both male and female risks to age 59. Some of the features of the policies are

complete non-house combining sickness coverage, contestable clause, non-disabling injury coverage and increased benefits if premiums that are paid annually or semi-annually. Accidental death and dismemberment and blanket accident and medical expenses are optional.

**Gives Status of Three Model A&H Laws**

F. Joseph O'Regan, counsel of H&A Underwriters Conference, has tabulated the status of three model laws in 48 states, the District of Columbia and Hawaii.

The laws are: State fair trade practices act; 1950 uniform individual accident and sickness policy provisions law, and unauthorized insurers service of process act.

The fair trade practices law was enacted in nine additional states this year. Thirty-seven states and Hawaii now have the law.

The uniform policy provisions law was enacted in six additional states this year, for a total of 39 states, Hawaii and the District of Columbia.

Eleven states enacted the unauthorized insurers service of process legislation this year. Thirty-eight states and Hawaii now have the act on the books.

**Fond du Lac A&H Men Reelect Wellens President**

At the annual meeting of Fond du Lac County A&H Assn., Arthur P. Wellens was reelected president, and Paul W. Moldenhauer, Waupun, vice-president. C. C. Parker was chosen secretary-treasurer to succeed N. P. Abler. Guests included W. Clement Stone, president of First National Casualty, and E. J. Faulkner, president of Woodman Accident. The "Frank Bettger Story" film was shown.

**Probation Given Two Hospital Assn. Agents**

Two agents of State Hospital Association of Tarboro, N. C., have been placed on probation after they pleaded guilty in Mecklenburg county superior court to forging names on stock transfer certificates while the association was attempting to convert to a stock A&H company.

Harry C. Robinson was placed on probation for two years and Harry Lee Robinson (no relation) was put on probation for 18 months.

The forgers were among hundreds detected in an investigation by the department of insurance which caused Commissioner Gold to stop the conversion plans. The association has appealed to Wake county superior court from Mr. Gold's order.

R. L. Lowder of Cooleemee, another agent for the association, testified that he also forged some signatures. He faces forgery charges in Davie county.

**Mutual Benefit H. & A. to Co-Sponsor "Zoo Parade"**

Mutual Benefit H. & A. will become the co-sponsor of the NBC-TV "Zoo Parade" with Marlin Perkins as narrator, starting Oct. 16. The program will be viewed on more than 70 outlets.

**D. C. A&H Men Elect**

District of Columbia A&H Assn. has elected Lloyd M. Decker of Educators Mutual president, Harold Kime of Sterling vice-president, Dan Sullivan Jr. of Insurance Inspection Bureau secretary, Pinckney Richardson of Paul Revere Life secretary, and Joseph Belaire of World, Frank Busbee of Paul Revere Life, Frank Carbo of Mutual Benefit H. & A. and Ralph Benso of World executive board members.

## Tells Milwaukee Board of Government Threat; Don Gottschalk Elected

Government intervention and competition with private insurance is still a matter of grave concern for the industry, and local agents are not in a favorable position in the overall picture, Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, told members of Milwaukee Board of Underwriters at the annual meeting. He referred specifically to such matters as disaster insurance, bonding of federal employees, commission's A&H activities, prospects in the field of atomic energy insurance and the possibility of investigating state insurance regulation with the approach of the end of moratorium granted by public law 15 next June.

The following officers were elected: Don Gottschalk, Gottschalk agency, president, to succeed Robert C. Pittelkow, Chas. Pittelkow & Sons agency; Gordon Gile, A. L. Grootemaat & Son agency, vice-president; Richard M. Evans, W. C. Bradt agency, secretary-treasurer; Wayne C. Reesman, Lawrence A. Hautz, Inc., and Mr. Pittelkow, directors. John R. Fishwick continues as executive secretary.

### Elect in Greene County, O.

John C. Williamson of Xenia has been elected president of Green County (Ohio) Assn. of Insurance Agents. Oscar Pidgeon is vice-president and Walter F. Seiter is secretary-treasurer.

### Buckeye Union Agents Meet

COLUMBUS—More than 200 agents of Buckeye Union Fire attended a meeting here Monday at which new multiple line contracts were explained by John A. Dodd, executive vice-president; James R. McGarry, executive secretary, and S. W. Schellenger, superintendent of agencies.



Commissioner A. J. Jensen of North Dakota, chairman of zone 4 of NAIC, pictured at the zone meeting in Chicago last week with the host commissioner, Justin T. McCarthy of Illinois. Photograph by Harry Fuller, midwest manager of National Bureau of Casualty Underwriters.

## More Warrants Are Issued in Sale of Capital Life of S. C.

Warrants have been sworn out by Insurance Commissioner R. Lee Kelly at Columbia, S. C., against O. T. Hogan, president of United of Chicago, Paul Temple, described as an officer of that company, J. W. D'Verle, an officer of Guaranty Fire & Marine of South Carolina, now in receivership, and J. R. Reinhardt, a former insurance department examiner, and G. R. P. Farquhar, former president of Guaranty F&M.

One warrant charges Messrs. Hogan

A spokesman at United stated that as far as anyone connected with United is concerned the charges are false and untrue. He said the contract with Capital Life was arrived at by open negotiations over a period of four to five months, and the contracts and sworn statement of all fees paid, are on file as public record in the insurance departments of South Carolina and Illinois. They are subject, he said, to examination by any interested parties. Paul Temple, listed in the warrant, the spokesman added, is an independent broker and is not connected with United.

and Temple with conspiring with D. D. Murphy, former South Carolina insurance commissioner, to defraud Capital Life of South Carolina, which was sold to United. The other warrant charges Messrs. Farquhar, D'Verle and Reinhardt with filing with the insurance department a false and untrue annual report as to the financial condition of Guaranty.

Warrants were issued in July against Messrs. Murphy, Farquhar and Layton charging that the former commissioner used his office in a manner to force the sale of Capital Life to United for less than its real worth, that the three received \$80,000 for arranging the transaction, and that the transaction was put through the books of Guaranty and other firms which Guaranty owned or with which it did business.

### Gets Company's First H. O. Policy

C. V. Hyson, Washington, was issued homeowners policy no. 1 of Lumbermen's Mutual of Mansfield, following the company assuming multiple line powers under the recent Ohio law amendment. Mr. Hyson has been a member of Lumbermen's agents advisory council since it was organized.

### Drop National 1752 Club Proposal

The proposal for a national organization of 1752 clubs, state and regional fire and casualty field organizations, has been abandoned. Discussions among leaders in different parts of the country brought out so many sectional differences in organization, methods of operation and extent to which agents participate in activities that the idea was felt to be impractical. Club officers will continue to exchange ideas on an informal basis.

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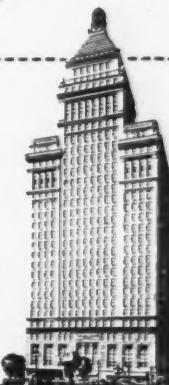
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## Need for 3D Policy Outlined for Brokers

Urging brokers to sell the 3D policy, dishonesty, disappearance and destruction, Joseph B. Mettalia, superintendent of the bond department of Fidelity & Casualty, discussed the policy and gave specific examples of needs for the coverage at the meeting of Brooklyn Insurance Brokers Assn.

Brokers will be reaping many headaches when the separate bonds and policies are written in more than one company. It is possible to have a loss which is not entirely clear cut and find that the bond insurer does not have sufficient proof to pay the loss under its bond and the burglary insurer may be faced with the same situation. The losses would probably eventually be paid, but much work and worry can be eliminated by having the coverages in one company.

The broker will encounter many arguments against the dishonesty feature of the 3D policy, he said. They run along the lines of "Oh I have had these employees many years," or "I know all my employees personally and

I trust them completely." The majority of dishonesty losses are caused by the old time and trusted employee, he pointed out. The new employee could not get away with a very large amount.

Another argument is "Mine is a small business," or "My employees do not handle money." Any person with a small business needs the insurance even more than the big firm because any kind of loss might put him out of business. As for the statement that employees do not handle money, many losses occur by people who are not money handling employees.

For insurance, some years ago a large electric company suffered a \$750,000 loss caused by class C employees. The loss was for hours for which the company paid, but received no return. Another loss was the \$50,000 at a radio parts manufacturing company in which a service man was discovered to have taken out many thousands of tubes from one plant. Another that involved radio time occurred when one of the technicians permitted the purchase time to run beyond the usual 15 or 30 minutes.

A well known loss involved an em-

ploye in the advertising department of an oil company. It was his job to order post cards for distribution to various gasoline stations to be used as reminders to the customers to go in for a recheck or car lubrication. When they caught up with this chap, the loss exceeded \$700,000.

Rarely does a day go by when some defalcations are not seen in the daily papers. Fidelity & Casualty follows a practice of clipping the items and indexing them according to business. Then, if any of the agents are discussing the coverage with a client, that particular business is checked with the losses that have occurred in that particular class.

National Bureau companies wrote almost \$4 billion in casualty and fire business last year. The same companies wrote \$192 million in bonds, Mr. Mettalia said. He believes bond business can increase at least 10%.

Often dishonesty insurance is not sold in appropriate amounts. It is easy to concentrate on a sale and be satisfied with a small amount of insurance rather than none. But if the salesman concentrates on the proper amount, he will come out with a large order. If a firm with 100 or more employees doing a half million dollar business a year and purchased \$2,500 bond, it would not be properly insured. It could easily absorb a small loss from earnings, but a sizeable loss might hurt it financially.

No client should be allowed to get into the position of the employer whose employee admitted embezzling the full amount of his \$5,000 bond and then investigation showed that the loss was closer to \$50,000.

### Enters Fire Field in Texas

Pacific Indemnity has begun writing fire and allied lines in Texas through its representatives, Southwest Underwriters of Dallas. Donald W. Munson will be in charge of the fire operations. Prior to joining Southwest Underwriters he was with American in Dallas.

Kenyon Bevan is state agent for Pacific Indemnity and head of Southwest Underwriters. Pacific Indemnity has been writing automobile and casualty lines in Texas through Southwest Underwriters for a number of years.

### Woodruff Named at K.C. by Allstate

James A. Woodruff Jr. has been made assistant resident manager of the Kansas City office of Allstate. He joined Sears, Roebuck in 1946, becoming manager of the Sears store in Baranquilla, Colombia. He transferred to Allstate as a management trainee in 1954.

Preferred General Agency of Seattle has been purchased by Horace F. Beckham and Kenneth R. Landgraver and the name has been changed to Cascade General Agents. Mr. Beckham will be in charge of the Portland office, and Mr. Landgraver, who has been special agent for Northern of New York in Oregon, will be in charge at Seattle.

## Conn. Conducts Survey of Six Months Policies

Connecticut Assn. of Insurance Agents is conducting a survey on the six month policies by use of a post card questionnaire. Stating that the matter is a controversial one, the association said that the agency companies using the plan claim it cuts down agents' overhead and still safeguards their ownership of expirations.

Writing in the association's bulletin *Association News*, the association stated that the use of the plan seems to be spreading. At least one old line agency stock company is using the plan in certain states. Up to now both the state and National associations have opposed the principle of six month policies, mainly on the ground that their use actually weakens the agents' hold on his policy expirations and poses many future problems for them, including the possibility of reduced commissions.

### Holyoke Mutual Changes

Paul E. Story has been appointed treasurer of Holyoke Mutual Fire to succeed William F. Smallie, who has retired. Mr. Story has been with the company since 1948. Mr. Smallie had been with it since 1929.

Holyoke Mutual also has appointed Francis P. Story special agent for central Massachusetts, Rhode Island and Connecticut. John W. Knowlton, assistant secretary, will supervise eastern Massachusetts and Cape Cod in addition to home office duties. Charles R. Perry, formerly with Mutual Fire Inspection Bureau, is now special agent in northern New England and western Massachusetts.

### Eau Claire Cover To State Fund

EAU CLAIRE, WIS.—Eau Claire county board of supervisors has adopted a resolution presented by its insurance committee to transfer all property insurance on county buildings and contents to the Wisconsin state fire fund, effective Jan. 1. The county now carries the coverage with local agents through the local board.

### Standard Accident Names Two

Standard Accident and Planet have appointed Darwin E. Allen field representative at Cleveland and George H. McDaniel field representative at San Francisco. Mr. Allen joined Standard Accident in 1942 at the home office. In 1948 he was transferred to Detroit as a compensation and liability underwriter. Mr. McDaniel served with several companies prior to joining Standard Accident.

### Branch Managers Hold Meeting

Twenty-seven resident vice-presidents and managers from branch offices of Standard Accident and Planet met at Detroit. Paul Wilson, senior vice-president of the companies, was in charge of the meeting.

### Gillespie Joins Western Pacific

Norman Gillespie, who was with Washington Insurance Examining Bureau for 25 years, has joined the home office fire department of Western Pacific.

*A bird in the hand...*



—especially when it's on a  
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policy — means security for the assured.

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## Insurer Requires Appraisal Which Sets Cover

(CONTINUED FROM PAGE 9)

property insured is 'valued at' definitely fixes the liability of the insurer and is conclusive on the parties." And in *Snowden vs Duion*, 101 N. Y. 458, the court said, "If this was a valued policy it became so by containing in its terms an agreement of insurer and insured, fixing absolutely for the purposes of the contract the value of the subject insured at the amount insured.

We should naturally look for an agreed valuation in definite language."

What then, is the purpose of the insurer in demanding an appraisal when writing the insurance? The court explains this in very clear language. Plaintiff contends that an agreement to fix value before loss may be spelled out of the fact that defendant required her to submit an appraisal of each article before insuring it and that the amounts of insurance allocated to the items on the schedule correspond in each instance to the appraised values. In accepting risks of this nature an insurer may require an appraisal for too many good and prudent reasons to permit that circumstance to override the clear and well-grooved meaning of the language employed in the policy.

It must be borne in mind that each of the 23 items is insured separately, for a stated, specific amount—just as though 23 small policies of insurance had been issued in various amounts. Appraisals by a reputable expert gave some assurance to defendant that the articles insured were in existence, helped identify them by expert description and afforded some confirmation that the values of the articles bore a reasonable ratio to the amounts for which they were insured. Since blanket

risks policies of this nature are peculiarly vulnerable to fraudulent claims, the information procured from reliable appraisals becomes a potent protective measure. Such information also tends to establish the reasonableness of the premium collected by defendant, because premiums are charged on a basis of loss exposure. The court emphasized that the term "does insure", no matter how liberally construed, does not peg the amount of any future loss but merely sets up boundaries on the insurer's liability.

The operative words of coverage in this policy are that defendant "does insure" plaintiff "against loss or damage \*\*\* for the sum of \*\*\*". These words, no matter how liberally construed, do not peg the amount of any future loss but merely set boundaries on defendant's liability. They insure in the actual amount of the loss or damage suffered by plaintiff, to be determined after the happening of the event against which she was insured. Nor does examination of the attached schedule reveal anything more than an extension of such coverage, in specific allocated amounts, to the articles listed and described in the schedule. The amounts marked opposite each article are found under the heading 'Amount of Insurance'; no suggestion of a fixation of value may be found on the face of the appraisals in and of themselves do not constitute competent evidence of the value or existence of insured property and should not be received for such purpose upon the trial of the case. In other words, notwithstanding the existence of the appraisal, proof of value

and ownership of the article must be made in the usual manner and that is through competent witnesses and documentary evidence for which a proper foundation has been laid.

It is understood that the Naiman decision is not being appealed.

## Commercial Standard Has "All Liability" Cover in Okla. at 15% Deviation

Commercial Standard of Fort Worth has brought out in Oklahoma new farmers "all-liability" and homeowners "all-liability" policies combining the standard comprehensive and comprehensive automobile liability policies, with auto physical damage added by endorsement, at rates 15% below manual.

In an announcement to agents, the company says the original policy will be issued either by the agent or at his request, without the necessity for a signed application. The coverage may be for six months or for one year, and between 45 and 60 days prior to expiration the company will forward the agent a renewal kit consisting of expiration notice, renewal certificate, daily report copy of renewal certificate and a copy for the accounts receivable

ledger. The expiration is to be mailed to the insured and after the agent receives the renewal premium the renewal certificate is forwarded to the insured.

It is suggested that the policy be sold on a "cash only" basis because Commercial Standard will not permit flat cancellations on new business and renewal certificates must be returned within 10 days after the effective date if they are to be cancelled flat.

It is not necessary to endorse change of car, address, or other modifications that do not involve a premium change, but the company should be notified so that these changes may be incorporated in the renewal. Both the basic comprehensive personal liability policy and the automobile policy must be purchased, with auto PHD and other coverages optional. Commission will be 17½%.

## Silversides Heads British Institute

H. T. Silversides, formerly U. S. manager of Yorkshire and now general manager in London, was elected president of Chartered Insurance Institute at its annual conference in Cardiff, Wales.

No. 6 of a Series



**SELL HARDER!**

## The Insurance Inventory

Do you know how many of your clients have a realistic and accurate inventory of the property insured by their dwelling and contents fire policy, their "all risks" personal property and their burglary policies? Not many have these important records, is probably a true answer

• The main reasons why insureds neglect to prepare an inventory are unfamiliarity and apathy. You can't force insureds to prepare one, but perhaps if you explained how much an inventory aids in expediting a satisfactory settlement if they have a loss, and offered to help them make it, they might be persuaded. It's much easier to work with someone than by ourselves • This is an act of personal constructive service an agent can offer his clients that will earn their confidence and gratitude, and impress upon them that he is "their insurance agent." In these times of direct writing competition, it is important to utilize every way you know to make personal year-round service synonymous with your capital stock local agency.

The companies of the Commercial Union-Ocean Group have excellent inventory folders for use by policyholders. These are arranged to make inventory-taking a simple practical task.

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## NAMIC Elects Buxton, Sets Attendance Record

(CONTINUED FROM PAGE 1)

Lumbermens Mutual Casualty, and secretary, H. F. Swanson.

Lynn Matteson, vice-president Mutual Service Casualty, was elected president of Conference of Mutual Casualty Companies at the organization's annual meeting. He succeeds Berthold Woodhams, president Citizens Mutual Auto of Michigan. Irving J. Maurer, treasurer Farmers Mutual Auto of Madison, was elected vice-president and Paul E. Buehler, vice-president Beacon Mutual Indemnity of Columbus, was renamed secretary. Re-named to three-year terms on the governing committee were Edward B. Rust, vice-president State Farm Mutual, and Herbert C. Ewert Jr., secretary Badger State Casualty.

Highlight of the American Mutual Alliance Ad-Sales conference was the presentation of the special advertising campaign award to Employers Mutuals of Wausau. The campaign, "The Wausau Story," included a series of national magazine ads supplemented by direct-mail, radio, point of sale, newspaper and trade publication advertising. The campaign was designed to set Employers Mutuals apart from its competitors on a "personality" basis and emphasized service rather than product or price advantage.

James D. Woolf, Chicago advertising consultant and one of the campaign judges, presented the award. He said the lack of individuality and uniqueness of personality among insurance companies presents a problem of tremendous importance. It is difficult for a professional advertising man not too familiar with the insurance business to understand why insurance advertisers are not too concerned with it.

"In addition to the general objective of trying to establish distinctive name identity," he said, "the basic selling themes for all mutual companies seem to remain about the same as they have

been in the past: prompt and efficient service, sound and adequate protection and low cost through savings returned to policyholders. There appears to be less emphasis on the 'mutual idea' than once was the case and more emphasis on the types of protection offered by the individual company. There also seems to be more emphasis on publication advertising and perhaps a little less on direct mail than one usually thinks of in connection with advertising of such institutions as insurance companies."

In a discussion period among insurance company advertising managers it was brought out that current severe competition, especially in the automobile liability insurance field, has led

to a quickening interest in advertising. In the pre-World War II period automobile insurance advertising was devoted largely to selling the motoring public upon the need for coverage. Later there was much emphasis on highway safety. At present, with financial responsibility laws in the various states making the carrying of automobile liability insurance almost a "must", the need for coverage is little stressed. Advertising now tries to sell the advantages of coverage in one company or another. The emphasis is on service, with the larger companies seeming to stress lower cost somewhat less than they have in the past.

Raymond H. Fletcher, vice-president of Rohrer, Hibler & Repleglo of Dallas, discussed the effective utilization of production personnel, at the joint session of the Ad-Sales Confer-

ence, the Federation and Conference of City Mutual Fire Companies. Other speakers at the session were Burleigh B. Gardner, executive director Social Research Inc. of Chicago, who spoke on mass motivation research and Richard D. Crisp, Chicago research consultant, who discussed research in marketing.

A concurrent session of the Farm Fire Conference and the Farm Wind-storm Conference heard Ralph R. Botts, agricultural economist for the Department of Agriculture, discuss trends in the farm insurance field. Mr. Botts' talk was reported in last week's issue. A discussion of "capacity, coverage, service and training" was presented by panelists G. E. Ahre of Oregon, H. L. Gross of Iowa, D. G. Whitmore of Wisconsin and C. E. Warner of Ohio. Hardy Kuykendall of California and W. E. Anderson concluded the session with discussion of the future of farm wind and farm fire insurance.

The Crop Hail Conference session heard Capt. Howard T. Orville, USN (Retired), discuss observations on weather modifications in 1955 and Charles S. Laidlaw, manager of Federal Crop Ins. Corp., talk on federal crop insurance and its place in the farm economy.

Sen. Symington of Missouri, who opened the second day's general session, said the only way to stand up to the Communists "is by maintaining an economy strong enough to withstand them. This economy, to be sound, must include all segments of the nation. We must be certain that the farmer, especially the small farmer, gets his share of income."

Other speakers at the morning session included Lyle F. Eikelbarner, assistant treasurer Country Mutual Fire of Chicago, who discussed investments, and Walter L. Smith Jr., secretary of Philadelphia Contributionship, who discussed the mutual philosophy of Benjamin Franklin.

William A. McDonnell, president of First National Bank of St. Louis and vice-president of the U. S. Chamber of Commerce, was the featured speaker at the national affairs luncheon.

"Less federal spending for non-essential activities that infringe on private business would make possible a widely-expanded, government-sponsored, scientific research program in the interest of national defense and a better living standard," he said. He said there is a constant pressure for expansion of the social security system by increasing the amounts of benefits and by adding new benefits—all at a



Photographed by Guy Fergason of Fergason Personnel at the mutual companies' meeting last week in St. Louis: From the left, John C. Stapel, Farmers Mutual Hail of Missouri, outgoing president of National Assn. of Mutual Insurance Companies; superintendent C. Lawrence Leggett of Missouri; Secretary of Agriculture Ezra T. Benson; Harry P. Cooper Jr., Indiana Farmers Mutual, secretary of the company association, and John A. Buxton, Federated Mutual Implement & Hardware, newly elected president of National Assn. of Mutual Insurance companies.

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cost to the taxpayers today—a cost that amounts to only a fraction of the ultimate cost of the proposed benefits. "The Hoover commission," he said, "has shown us the way to lower taxes, a substantial reduction in the national debt and a balanced budget. The opposition to the Hoover report is composed of those who are the beneficiaries of government activities which the commission would liquidate or curtail. All of us are now paying for these activities while the vast majority of us receive no benefit whatever."

At a meeting of the Federation, Virgil W. Peterson, director of Chicago crime commission, discussed the economics of the machinery through which millions of dollars of stolen property are marketed in this country each year. He said the "crime fence" is big business and difficult to combat. "Of the millions of dollars of property stolen in the United States every year," he said, "only a small portion is ever recovered." He blamed most of these burglaries on the operations of professional criminals.

"Because of the high incidence of large burglary losses, the insurance rates have necessarily increased to a point where they are considered prohibitive by many business firms," he said. "At the same time, the huge losses and the small recoveries have made the writing of open stock insurance risky and unprofitable. In fact many of the largest burglaries involve firms in the preferred risk class—firms that have installed every known security device and are located in choice neighborhoods.

"Some insurance company executives," he said, "have informed the Chicago crime commission that they are seriously considering dropping open stock insurance all together. If such a policy becomes necessary on the part of the insurance companies generally," he said, "it will result in the failures of thousands of small and medium size business concerns each year because of burglary losses."

F. Keen Young, executive vice-president Federated Mutual Implement & Hardware, presented a discussion of homeowners policies followed by a panel on the same subject. Panelists were R. H. Barber, secretary West Bend Mutual Fire; W. H. Rodda, secretary Transportation Insurance Rating Bureau, and E. D. Sirois, secretary

Mutual Fire Insurance Assn. of New England.

The City Fire Company Conference session included a talk on mutual management by Edwin H. Coggeshall, secretary Perkiomen Mutual of Pennsylvania. R. E. Lehman of Minnesota discussed rate trends, E. D. Sirois of Massachusetts explained expanding coverage and Paul Franklin of Connecticut discussed competition.

A joint session of the Farm Fire and Windstorm conferences heard Prof. Henry Giese of Iowa State college discuss farm mutual management followed by a panel discussion on sales, underwriting, management and accounting. Panelists were Carl Peterson of Iowa, E. H. Myer of Indiana, Helen Calcaterra of Nebraska and Paul Krauter of Ohio.

The Farm Hail conference opened with a panel discussion on the basis of adjuster employment by Ward H. Cross of Chicago, John H. Douglas of Indianapolis and F. C. Walker of Cimarron, Kan. Another panel on rate making was composed of Robert H. Frenk of Chicago, D. K. Seltzam of Columbia, Mo., F. M. Hector of Lansing, Mich., and Albert Rutledge of Des Moines.

At the final session of the NAMIC, Rep. Curtis of Missouri said that every time a government regulation is im-

(CONTINUED ON PAGE 33)



Winners of National Assn. of Mutual Insurance Companies' national youth farm fire safety contest are Ruth Clother, 15, Canton, N. Y., and Thomas Flanagan, 16, Winthrop, N. Y., shown with R. M. Stanton, of Capital District Grange Cooperative, NAMIC vice-president and Youth Conference chairman.

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## Western Adjustment Has Manager Changes in Three States

Western Adjustment has made several personnel changes in Minnesota, Wisconsin and Indiana.

Walter F. Heck, manager at Racine, Wis., has been transferred to Minneapolis as manager. He is replaced at Racine by N. A. Paulsen. Assistant Manager R. W. Walker of Minneapolis will be transferred to the Mid-City, Chicago branch, as general adjuster.

N. A. Boyd has been appointed manager at Indianapolis, being replaced at Anderson, Ind., by J. E. Richards of the Louisville office.

G. F. Thompson of the Indianapolis office has been transferred to the Chicago area as a senior staff adjuster.

## American Surety Is Holding ML Seminar

In line with American Surety's program for extended multiple line production, an advanced field seminar for a selected group of field production

specialists is being held in New York for a three-week period beginning this week.

The seminar is under general supervision of R. E. Brown, newly elected vice-president in charge of agencies and production, and a comprehensive study and discussion plan has been prepared by the company's educational division.

Experienced men from the company's branch offices in every section of the country were chosen for this advanced instruction.

## Heads N. Y. Office of Pa. Lumbermens

Pennsylvania Lumbermens Mutual has appointed Joseph J. Kane resident manager at New York City, succeeding Joseph A. McCormick who recently retired after 39 years with the company because of ill health.

Mr. Kane has been assistant manager of the New York City office since 1946. He joined the company in 1931.

The office is primarily for sales and service but the branch staff of 10 issues policies and operates accounting and inspection departments.

## London Assurance Advances Dadd and Names R. L. Michael

Ronald F. Dadd, U. S. secretary of London Assurance and secretary of Manhattan F&M. has been promoted to assistant manager and vice-president of the companies, respectively. He will retain the office of secretary of both companies and will continue in administrative control of the accounting activities in addition to assuming broader executive responsibilities.

Raymond L. Michael has been appointed to the newly-created position of office manager where he assumes direction of the purchasing and supply department to succeed H. Gordon Baxter, who has resigned. Mr. Michael will also be in charge of personnel and office methods and procedures.

Mr. Michael joined Home after marine corps service. In 1951 he was made assistant office manager of Home Indemnity, and in 1953 was appointed supervisor of methods and planning for Home and Home Indemnity. He is past vice-president of Knickerbocker chapter of Systems & Procedures Assn.

tion costs came to about \$575, including \$400 for the helicopter, \$100 for crating and affixing the glass to the underside of the helicopter, and \$75 for \$1 million insurance on the transaction.

Cost of the glass and installation was another \$250.

The glass was affixed to the helicopter on the roof of a Chicago glass company about 9:30 a.m., flown about six miles to the apartment house roof, and installed there in the penthouse by 11 a. m.

The unusual incident was given front page coverage and pictures in Chicago newspapers. The New York Times also carried a story.

## S. F. Accountants Hold Pacific Coast Conference

The annual Pacific coast Insurance Accountants conference, sponsored by Insurance Accountants Assn. of San Francisco, was held at the Sheraton-Palace hotel in San Francisco Oct. 18.

Commissioner McConnell of California opened the conference with a discussion of new developments in insurance.

Fred H. Merrill, vice-president Fireman's Fund group, moderated a panel on "What Other Department Heads Expect from Their Accounting Department."

The afternoon program included a series of panel workshops and an exhibit of business machines.

J. W. Reynolds, chairman of United Pacific, spoke on "Broadening Horizons" at the closing banquet session.

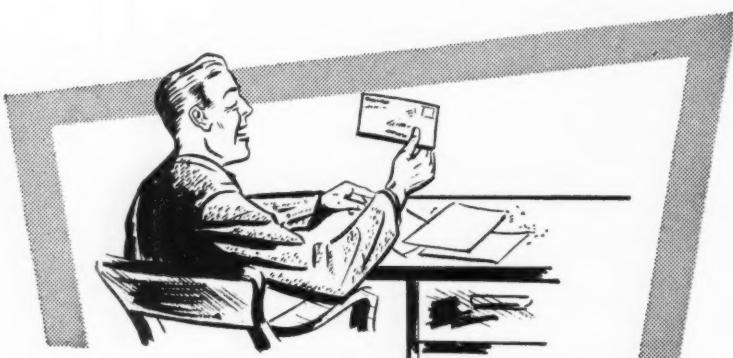
## Hire Helicopter to Haul Window to Penthouse Roof

Over \$700 in losses was saved when Rodger M. Tauman of Charles U. Victor Co., Chicago, hired a helicopter to fly a 7 by 8-foot plate glass window for replacement in a Chicago penthouse apartment atop a 21-story lake shore building.

The glass would not fit in the building elevators and estimated cost of crating and hoisting the glass up the outside of the building was \$1,300.

By using the helicopter, transporta-

A corporate insurance management workshop-seminar will be held Oct. 31-Nov. 2 at American Management Assn. center in New York City with O. B. Tearney, of Inland Steel presiding.



### ANOTHER LETTER FROM FRANK— AND I HAVEN'T ANSWERED THE LAST ONE

IT IS A PLEASANT SURPRISE to get a second letter from a friend before answering the first. It is nice to be met more than half way.

The wise insurance agent calls on his clients between renewal dates. They like to see him when he's not selling—they like to know "what's new"—gives them time for consideration. Wise agents sell a lot of business this way.

### THE AGENCY SYSTEM — AN AMERICAN TRADITION



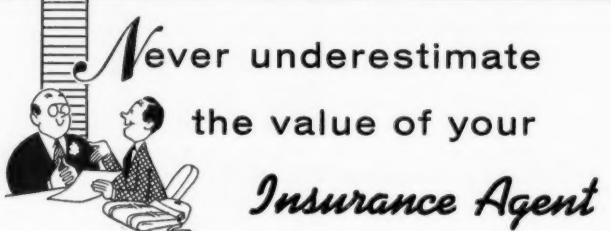
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EASTERN DEPT.  
90 John Street, New York 38, N. Y.

NEW YORK SUBURBAN DEPT.  
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You probably can't name off-hand the Company with whom you carry your fire, burglary and personal liability insurance. Less than 50% of us can! But you do know your local insurance agent and trust in his integrity and up-to-date knowledge to advise you on protective insurance and to place it with reliable companies.

You know your agent as an individual, respected member of your community whose counsel is valuable and whose assistance in the event of a claim is most important.\*

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October 20, 1955

## Program for Mo. Convention Ready

The program has been completed for the annual meeting of Missouri Assn. of Insurance agents. The convention will be at the Muehlebach hotel, Kansas City, Oct. 30-Nov. 1.

Registration will begin Sunday afternoon and at that time there will be a meeting of the local board presidents and secretaries. The executive committee will meet in the evening.

New officers will be elected at the first business meeting Monday morning at which President Joe Jackson Jr. of Maryville, will preside. That afternoon talks will be given by Kenneth Ross, Arkansas City, newly elected president of the national association; Austin T. Flett, Chicago broker, whose subject will be "Meeting Mutual Competition"; Frank T. Reilly, assistant secretary of Afco, and Jack D. Bell, sales promotion manager of Chevrolet division of General Motors.

A Halloween dance is scheduled for that evening.

Tuesday will begin with an early bird's breakfast for rural agents with Lee Cass, director of the safety responsibility unit of the Missouri state department giving a resume of experience under the financial responsibility law. At the general session, John S. Perry, western manager of the inland marine department of Fireman's Fund, will be the lead-off speaker, followed by Thomas H. Lawrence, Kansas City business consultant, and a panel on workmen's compensation moderated by William Leslie Jr., general manager of National Council on Compensation Insurance, assisted by Robert A. Maddox, supervisor of WC in the Missouri department; L. F. Keegan, manager of Missouri Compensation Rating Bureau, and Wesley Martsolf, Kansas City manager of U.S.F.&G.

In the afternoon there will be a panel discussion on business interruption moderated by Ingolf Otto, office manager of Insurance Facilities Corp., with Lester L. Leamon, general adjuster at Kansas City for Western Adjustment; Carroll C. Shelton of Shelton & Von Cloedt, St. Louis CPA, and Jack Riley, North Kansas City agent, participating. Fred Klemp, Kansas City advertising agency executive, will talk on "The Power of Advertising."

James Spellman Jr., president of Kansas City association, will preside at the banquet that evening at which the new officers will be installed by Lt. Gov. Blair of Missouri.

### Gets Construction Bond in Ill.

John Fridh & Sons, Rockford, Ill., construction firm, has been awarded the contract for construction of a multiple building shopping center for Northtown Plaza, Inc., at a price of \$1,246,380.

Security of New Haven is on the bond, originated by Charles E. Barnes, its agent at Rockford, and the company's Rockford office. The business is serviced through the western department at Chicago.

### Drop Hansen & Rowland Complaint

LOS ANGELES—Commissioner McConnell of California has dismissed the action brought by the department more than a year ago alleging violations of the surplus lines rules and regulations in handling reinsurance as a surplus line broker on the part of Hansen & Rowland of California. The commissioner adopted the recommendations for dismissal as filed by a hearing officer, following the signing of a stipulation covering seven points,

chief among which were withdrawal of the conclusions and offenses of the agency challenging the position of the department, a revision by the agency of its operations to conform with departmental demands, and several points involving the agreement not to take the case to litigation because of the complexity of the laws and regulations.

## Great American Opens SW Office

Great American has established a southwestern departmental office in Dallas, for handling operations, excluding hail, in Arkansas, Louisiana and Texas.

Farm and hail business in west Texas will continue to be handled through the company's farm and hail office and will be under the direction of Wright McCartney, agency superintendent. He has been with the company many years and has had extensive experience in the field and in home office administration.

State Agent Harry H. Haucke will assume increased production responsibilities in the operation of the department. The personnel of the field staff and offices remain unchanged.

After Oct. 17 all operations previously conducted at the home office will be handled in the southwestern departmental office for that area.

## To Publish NAIC Book of Valuations Jan. 26

Committee on valuation of securities of National Assn. of Insurance Commissioners has set Jan. 26, 1956, as publication date for its annual book of valuation of securities.

The book will contain Dec. 31, 1955, association values for stock and bonds and notations of eligibility for amortization of bonds to be used in preparation of insurance company annual statements as of Dec. 31, 1955. A copy of the book is sent to every U. S. insurance company.

Prepublication valuation data in the form of advance sheets is made available by the committee on a subscription basis to those requiring security prices before the Jan. 26 publication date.

## AFIA Legion Holds Annual Meeting

AFIA Legion, international quarter-century club of American Foreign Insurance Association, reelected Superintendent A. I. Terhune president at the annual meeting in New York City.

Marine Claims Superintendent F. H. Kipp was elected vice-president. Miss E. J. Treen and Assistant Chief Accountant C. M. Bowers continue as secretary and treasurer, respectively. New continent vice-presidents are M. Costi (Egypt) for Africa; M. D' Mello (India) for Asia; L. Cross (Australia) for Australia; T. F. Wyckoff (England) for Europe; and E. Freitas da Rocha (Brazil) for South America.

Frank A. Christensen, president of America Fore group, was host to the legion before the meeting.

### Covers All, Even What Comes Off

Speaking of automobile physical damage coverage, a five year old Hartford girl set out to brighten up her mother's 1955 automobile by applying nail polish remover to the paint. The paint came off in streaks and the insurer paid \$125 to have it done over.

Theodore M. Schwartz, former general counsel of the New York workers' compensation board, has been named chairman of the employees' compensation appeals board of the U. S. Department of Labor.

## Public Adjusters in Three Cities to Pool Facilities

Young Adjustment Co. of Philadelphia, New York Fire Adjustment Corp. of Buffalo and Sidney Greenspan & Co. of Los Angeles, all public adjusters, have formed a national organization under the name Young Adjustment Co. of America with home offices in Philadelphia. Lawrence G. Horowitz, president of Young Adjustment, said the organization was set

up to provide adjusting services on fire and allied lines losses on a national basis through the pooling of staffs and facilities. He said additional offices will be opened in other cities.

### Truck, Taxi Rates Up in Mass.

Commissioner Humphreys of Massachusetts has announced tentative increases in compulsory liability coverage for trucks and taxis. The increases are 7% for trucks and 2 1/2% for taxis, effective Jan. 1.

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AGENCY INQUIRIES INVITED

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RAYMOND E. BUCK CHAIRMAN OF BOARD AND PRESIDENT

COMMERCIAL STANDARD INSURANCE COMPANY FORT WORTH, TEXAS

CALL OUR CASUALTY DEPARTMENT

CALLING ALL CLIFFDWELLERS!

Pity the people who live in apartments—and give them the opportunity to buy Comprehensive Personal Liability Policy. After all, the cliffdweller needs the protection of CPL coverage just as much as the homeowner.

Remember, when you have a prospect for Comprehensive Personal Liability or any coverage, call on A. F. Shaw for fast, efficient and professional service. You're sure to like the way Shaw does business.

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## WOULD YOU LIKE TO GROW?

You'll have plenty of opportunity to grow in our Home Office Underwriting Services Department.

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Analyze underwriting problems and write bulletins giving the answers  
Help prepare policy and endorsement forms.

This excellent opportunity is in the Midwest Home Office of a large nationwide multiple line group of independent progressive insurance companies.

Casualty experience would be more helpful than Fire, but imaginative thinking coupled with ability to clearly express yourself are essential. The salary is open, there are excellent company benefits—and the future is yours.

Contact in confidence—Our employees know of this ad. Write Box H-76, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### CASUALTY SPECIAL AGENT STATE OF UTAH

THIS IS THE PLACE! Great American Indemnity Company has a real and challenging opportunity for a man qualified to produce Casualty and Surety business in Utah and Southern Idaho. This position offers the right man the chance to demonstrate his capacities and enhance his career with Great American Indemnity Company. Salary open—various Company benefit programs and other items of interest. Applicants who feel qualified and are desirous of accepting this challenge should direct replies to: PERSONNEL DIRECTOR, PACIFIC DEPARTMENT, 320 California Street, San Francisco, California. Please include with inquiries brief resume of experience and background.

### WANTED

Casualty fieldman for Western Ohio. Excellent opportunity to become associated with a progressive multiple line stock casualty company. All replies will be confidential.

Write:

PREFERRED INSURANCE COMPANY  
P.O. Box 75  
Grand Rapids, Michigan

### I.B.M. TABULATING MACHINE DEPARTMENT SUPERVISOR

for new department being set up by Fire and Casualty Insurance Company; must have experience preparing manual of operation instructions. Opportunity to develop additional application of machines. Excellent salary. Retirement plan and other employee benefits. All inquiries held in strict confidence. MARKET MENS MUTUAL INSURANCE COMPANY, 1834 W. Wisconsin Avenue, Milwaukee 3, Wisconsin.

### SPECIAL AGENTS WANTED

Multiple line stock company operating in all states west of the Mississippi. Has openings for energetic, capable special agents in South Dakota, North Dakota, Texas, and Utah. Field personnel will be increased in several other states. Splendid opportunity to join fast growing company. If available, contact:

CIMMARRON INSURANCE COMPANY, Inc.  
Cimarron, Kansas

### ADJUSTER WANTED

Chicago office of Old Line Stock Company requires Adjuster for Fire and Auto. Physical Damage losses in Cook County. Automobile furnished. Prefer man about 30 years of age. Replies confidential. Address Box H-81, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Casualty Executive Wanted

Executive needed to organize and manage Casualty Division for Western Department, located in Chicago, of a well established multiple line stock company. Production and administrative experience necessary. Write, giving details of experience and qualifications, to Box H-84, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### RED TAPE & DETAIL

Have about made a wreck out of me, so I've decided to sell 22 year old General Insurance Business before 1-1-56. Average net annual commissions excess of \$50,000.00 in booming Midwest city. Stock Business only, clean & well diversified. 1 1/4 times average annual with 25% down & balance monthly 5 yrs. 5%. Will assist part time. Address Box H-83, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

Michigan Company has opening for experienced automobile and casualty adjuster. Saginaw and Flint, Michigan area. Give complete details as to experience, qualifications and salary expected. Reply to Box H-82, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### SPECIAL AGENT—WISCONSIN

We have an opening for a capable, aggressive, young man with fire and marine experience. State age, qualifications, references and salary requirements. Replies confidential. Box H-79, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### OPPORTUNITY

Chicago Branch of Multiple Line Stock Casualty Company wants Special Agent between 25 and 35 with predominant Casualty background and successful production record. Territory Northern Illinois. Reply in detail as to experience and salary desired. Box H-85, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### GENERAL AGENCY

25 years old, representing stock companies, volume approximately \$500,000 fire, casualty, surety—located Central New York. Considerable industry. Owner desires gradual or full retirement. Will consider sale or combine with larger organization who desires to locate Central New York. Address Box H-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### SPECIAL AGENT

Well known multiple line company requires experienced Special Agent for the District of Columbia and Northern Virginia. Excellent salary with managerial opportunity as territory is developed. Write giving age, complete education record, experience and family background. Address Box H-78, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Minn. Agents Register Protest on Auto License, Insurance Tie-in Sales

MINNEAPOLIS—Deputy automobile license registrars who make use of their office to help sell automobile insurance are under fire by Minnesota Assn. of Insurance Agents. Deputy registrars are prohibited from soliciting insurance, and George W. Blomgren, secretary of the agents' association, has asked all members to advise him of any violations of this regulation.

Mr. Blomgren cites one instance where a woman deputy registrar maintains her office in the same place where her husband conducts an insurance business. "In these particular circumstances," says Mr. Blomgren, "whoever is handling the details of registration makes it a point to ask whether or not the person registering carries insurance and the expiration date. Handy information for the husband."

The association has filed a specific complaint with the secretary of state in this particular case.

### Actuaries Conference Meets at Chicago; Reelect Slate

Conference of Actuaries in Public Practice, a national organization of actuarial consultants, reelected officers last week at its annual meeting at Chicago.

Officers, all Chicago actuarial consultants, are: Harley N. Bruce, president; Donald F. Campbell Jr., vice-president; Harry S. Tressel, secretary, and Edward D. Brown Jr., treasurer.

Topics of prime interest were social security, equity (or variable) annuities, and public pensions. Speaker at the banquet was Cecil P. Bronston, vice-president of Continental Illinois Bank of Chicago, who discussed "Seven Items of Current Interest in

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Do you qualify for these positions?

### ASSISTANT CLAIMS SUPERVISOR

### PERSONAL INJURY ADJUSTERS—With or

Without experience

### CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself. Interviews will be arranged on the basis of information contained in your first letter.

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### WANTED

INSURANCE MANAGER for Southwest Missouri Realtor's Insurance Dept. Must be experienced in Casualty, Marine, Fire (including coverages for commercial risks) and Bonds. Living conditions ideal. Write giving full personal and job history, also age and salary desired. Box H-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### SPECIAL AGENT WANTED

N. Y. State. 30-40 yrs. of age. References required. Replies confidential if desired. Good opportunity for right man. PENNSYLVANIA MILLERS MUTUAL FIRE INS. CO., 72 N. Franklin St., Wilkes Barre, Pa.

### POSITION WANTED

Employed, married, age 39, seeking Special Agents position. 22 years company and agency experience. Have adequate knowledge to work Cook County or any midwest territory. Address Box H-80, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIELDMAN

Prominent Multiple Line Stock Company has opening to travel Indiana. Salary and expense. State experience, age and background to #H-43, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

the Pension Plan."

Conference directors are: Mr. Brown, Mr. Bruce, Mr. Campbell, Mr. Tressel, E. I. Evans, Columbus, O.; Joseph Frogatt Jr., Los Angeles; Frank E. Gerry, Springfield, Conn.; W. E. Groves, New Orleans; Arthur M. Haight, Omaha; J. S. Rudd Jr., Austin, Tex.; Frank M. Speakman, Philadelphia, and Harmon R. Taylor, Cedar Rapids, Ia.

### Quad-Cities Adjusters Elect W. J. Hansberry

Quad-Cities Adjusters Assn. has elected W. J. Hansberry of Iowa Mutual as president, D. P. Peterson of Johnson & Schofer Adjusting, 1st vice-president; Walter Dietz of Iowa Farm Mutual, 2nd vice-president; Donald Kimball of Allstate, 3rd vice-president; C. G. McLoud of Iowa National, secretary-treasurer, and George Simons of Allstate, associate secretary-treasurer.

### Lloyds Man Gives View of London Operations

Members of Oakland (Cal.) Insurance Forum obtained a behind the scenes view of the operations of Lloyds at their October meeting from John C. Field, vice-president of Philip Antrobus, Inc., Lloyds representative and himself a former Lloyds broker.

Mr. Field stressed the importance of the "English company market" to surplus line operations. Without the risk carrying capacity of such companies, he said, Lloyds would be unable to underwrite many of the coverages it now offers. Although many concerns making up the English company market are little known and many have not established deposit trust funds guaranteeing their solvency in the United States, Field said there is little if any danger in permitting such carriers to participate in risks in conjunction with Lloyds, providing those companies are carefully selected by a competent Lloyds broker.

### Financial Indemnity to Pay 33 1/3% Stock Dividend

LOS ANGELES—Commissioner McConnell of California has issued a permit to Financial Indemnity to issue 1,000 shares of its \$50 par value stock as a 33 1/3% stock dividend, the funds coming from surplus.

### Insurance Women Plan Headquarters Office

ST. LOUIS—The executive board of National Assn. of Insurance Women, meeting here last week, voted to establish a national headquarters office. The headquarters will be opened soon as a qualified girl office manager can be retained.

The board also discussed a number of functional problems, such as organization and welfare plans.

The group were guests of honor at a cocktail party given by Insurance Women of St. Louis.

### Inland Empire Loses Okay as ICC Insurer

Interstate commerce commission has revoked approval of Inland Empire of Idaho as an insurer of motor vehicles. Motor carriers which have filed Inland Empire policies with ICC must refile with an ICC approved insurer.

### Johnson Agency Honored

The W. B. Johnson & Co. agency of Kansas City was honored by Continental on its 60th year of representation. E. A. Henne, vice-president and western manager of Continental, and Mrs. Henne were in Kansas City to make the presentation. Fred V. Griffith, Fred V. Griffith Jr., and Donald Brain are the principals in the agency.

## Mutual Groups Elect Buxton at Five Day Meeting

(CONTINUED FROM PAGE 29)

posed "we are going to give an advantage to the big fellow over the little fellow," since the bigger concerns have the legal and accounting staffs to cope with the new problems created by such regulation while the small business man finds it difficult to grapple with them." He said for this reason he personally favors "supervisory rather than operational type of government regulation in business."

Edward P. Arter, personnel training manager Nationwide Mutual, also spoke at the final session.

Winners of the NAMIC's national youth farm fire safety contest were Ruth Clothier, 15, Canton, N. Y., and Thomas Flanagan, 16, Winthrop, N. Y. They received the Harry P. Cooper memorial plaque and prizes of \$100.

Speakers at the final session of the Federation were Horatio Bond, chief engineer National Fire Protection Assn., G. W. Ponton, research underwriting specialist for Hardware Mutuals of Stevens Point, O. E. Ringquist, vice-president Liberty Mutual Fire, and John W. Cowee, associate dean of University of California school of business administration.

"About 20% of the total fire waste in the U. S. and Canada is accounted for by large fire losses of \$250,000 or more," Mr. Bond said. "While the total number of such fires last year (313) was the largest number ever recorded, there was an encouraging drop in the number of industrial fires." He accredited the drop to an increased awareness by industrial management of the importance of fire safety following the General Motors fire of August, 1953. He cited an increase in warehouse and store fires and blamed them on lack of sprinkler protection and lack of an organization for fire safety in the property.

Mr. Ponton, in a discussion of wind and weather patterns, pointed out that they continually change but will continue as they are today for the next 100 years. He said the use of atomic bombs to break up hurricanes was unlikely since a thunderstorm has energy equal to 13 A-bombs and a hurricane exceeds a 1,000 thunderstorms.

Mr. Ringquist discussed various possibilities open to companies for reduction of losses in windstorm and hurricane areas.

Mr. Cowee warned that insurance

executives must realize that this is a period of transition and that there will be fewer specialty companies in the future. He said the recruiting of trained personnel will be a necessity if companies wish to remain ahead of the competition. He urged them to develop full executive training and development programs.

Two workshops concluded the ad-sales conference on Wednesday. The first on agency companies was moderated by Harry E. Hudelson, vice-president Mill Owners Mutual Fire, and the other on direct-writing companies by C. J. Bailey, general sales manager Federated Mutual Implement & Hardware.

The 1956 meetings of the various mutual organizations will be held in Cincinnati.

## Holden Tells High Costs of U. S. Marine Cover

(CONTINUED FROM PAGE 9)

broadened by the courts to encompass almost every conceivable liability. Further, the growing liberality of the courts in increasing awards for damages results in an ever enlarging spiral of costs flowing from the claims for accidents and illnesses.

He emphasized that no other type of business in the country is subject to such liabilities, nor to the extent of fraudulent and exaggerated claims as confronts the marine business.

American shipowners and marine insurance companies are foremost in making prompt and equitable disposition of all valid claims, nevertheless the socialist trend continues in unjustly condemning and assessing the shipowner for liabilities and damages never incurred by their competitors under foreign flags or by other U. S. businesses, Mr. Holden said.

If the marine business does not install soundly designed, well-coordinated safety programs, Congress may do so, he said. Bills are pending in the Senate and the House to give the Department of labor control and direction of marine safety, even superseding the statutory prerogatives of the U. S. coast guard. In such case, the safety programs will be directed, at least to some extent, against the interests and at the expense of ownership and management in every segment of the marine business. It can be assumed, he said, that such programs inevitably may be sprinkled with a certain percentage of extravagant and unnecessary restrictions on operation.

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We cordially invite you to discuss your Reinsurance needs with our Reinsurance Department.

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The importance of this philosophy is best demonstrated at times such as the present, and makes a continuing relationship in Reinsurance worthwhile indeed.

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**Workmen's Compensation**  
**Burglary**  
**Fire and Allied Lines of Insurance**

**The ICT  
INSURANCE  
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Home Office: Dallas, Texas



## Asks Moratorium on Adoption of New Forms

"A two-year moratorium on the adoption of new forms and elimination of some forms" was called for by Ray H. Kenady, local agent at South Bend, in an address at a recent meeting of Indiana Fire Underwriters Assn.

He praised the homeowners policies, but maintained that the rating on package policies" should be such that we could provide at least all of the features of broad form coverage.

"By providing 49D and 49E coverage, smoke damage from friendly fires coverage and unattended, unlocked auto coverage in the theft portion, there would be a relatively small rate loading and it would cut down confusion and worry to agents," he said.

Mr. Kenady said there was a need for coordination of the bureaus in changes by the industry as a whole. For example, when Western Actuarial Bureau changes the rates or forms on fire insurance, it may be several weeks or months before MPIRO is able to get machinery in motion to bring homeowners policies up to date. National Bureau of Casualty Underwriters can make changes in comprehensive personal liability or the residence and outside theft policies and again there

would be a big lag in bringing the homeowners contract up to date. The three bureaus I mentioned have separate functions but they should work together for the good of the industry. It seems so many of their actions are kept secret and independent when they should not be.

He recommended that a committee study ways to eliminate detail in the business and suggested elimination of removal permits on dwelling contents policies as an example.

Mr. Kenady said agents were opposed to company filings of "special and wild forms at a cut rate." He said filings of this sort would start a rate war in the fire business, too, if they continued. "There will be a lot of companies damaged, there will be a lot of agents virtually forced out of the business and many competitors will smile," he said.

He opposed the adoption of a mandatory EC deductible on a nationwide basis. "I can't see any need for a deductible in Indiana," he said. "I can understand why the deductibles are written in some states, but to force them into this territory would mean the elimination of a lot of our public relations. We should be glad to pay some of the small losses and not just the catastrophes."

"I would like to sound one note of warning in the matter of packages. I hope we don't refine and reduce the coverages into nothing but low rates," he said. "There is always the peril of commission gap which is mighty important to the general well being of your agents. I think the public is willing to pay a fair price for a good return of service and while there is some saving of time in writing package policies, it is also true that they reduce the agent's income.

He urged the industry to give more coverage and eliminate rate reduction. "We should consider giving 49D and 49E as a replacement to form 49. If this had been done a couple of years ago when the fire rates were lowered, I think the public would have been better served and agents would have had greater earnings through this period of a rising economy. He said the automobile industry is not taking things away from their standard product to reduce the price but rather adding to the standard product and selling bigger and better products through their sales force which is trained to sell.

Mr. Kenady said he does not believe the industry is making progress when it makes too many changes in a short period of time. "When we confuse our sales force, we lose business. I suggest we try to secure more business using the forms which we now have. I am not opposed to progress but feel we should have a two year moratorium on the adoption of any new forms while we become experts with what we have. I think that a better job will be done on package policies when agents know and understand the coverages because they will have no fear of the policies when they have to use them."

## THE COSTLIEST SHOW on earth!



Every boy who has ever raced after a clanging red engine knows this: there is something awesome about a fire out of control that demands to be watched. No spectacle compares with it in sheer power—or tragedy.

Last year we Americans watched fires burn up approximately \$871,000,000 in property—certainly the biggest and most expensive show in the world.

It is a show without stars, of course, and the unlucky cast changes daily. You never know when you may be called upon yourself to be an unwilling performer. You can, however, take two precautions so as not to be among the many who will suffer severe financial losses from fire this year:

First, don't be careless with the instruments of fire. It takes just one short circuit or one cigarette, thoughtlessly handled, to burn down a house or a city.

Second, don't be careless with your fire insurance. Buy your insurance through a competent, independent insurance agent or broker who will make certain you are adequately covered and who will help you if you do suffer a loss.

Business Established 1842

## THE ATLANTIC COMPANIES

ATLANTIC MUTUAL INSURANCE COMPANY  
CENTENNIAL INSURANCE COMPANY

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Philadelphia • Pittsburgh • Portland • Richmond • St. Louis • San Francisco • Seattle • Syracuse

Marine, Fire, Inland Transportation, Yacht, Property Floaters, Automobile and Casualty Insurance

This advertisement appears in the country's leading newspapers

## Camden Fire Promotes Howarth and Linton

Camden Fire Association has promoted Thomas J. Howarth from claims assistant secretary to claims secretary and appointed John W. Linton fire assistant secretary.

Mr. Howarth joined the company in 1929. He spent several years as a special agent in New Jersey and state agent for Michigan. In 1949 he was named production manager and assistant to the vice-president. He was named supervisor of windstorm claims in 1950, claims department manager in 1952 and claims assistant secretary later that year.

Mr. Linton joined the company in 1920 as a fire underwriter. He was named manager of the western underwriting department in 1931.

## Phoenix of London Opens Renovated Building

Phoenix of London group has opened its renovated and modernized middle department building at 308 Walnut street, Philadelphia, now known as Phoenix of London group building.

H. Lloyd Jones, U. S. manager, Harold F. Still, vice-president and resident manager of the middle department, greeted 500 guests at the official opening. Vice-presidents D. W. LaRocque and V. B. Chittenden, Marine Manager J. E. Rawling, Production Manager W. F. Ballou, home office officials and middle department employees were hosts at a reception and luncheon.

## O'Halloran Named in New So. Cal. Post for Security

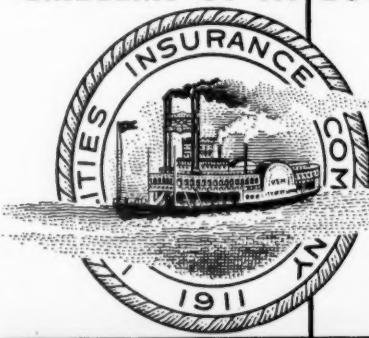
Security of New Haven has appointed T. C. O'Halloran as a superintendent in the southern California department with headquarters in Los Angeles. Mr. O'Halloran joined Security in 1948 as special agent for the south coast. In 1954 he was transferred to Los Angeles as special agent for southern California.

Robert K. Dellings has been appointed to succeed Mr. O'Halloran as special agent for southern California. He has been with Cravens, Dargan & Co. at Los Angeles as special agent and supervisor of fire and marine.

## Okayed for Atomic Data

Atomic energy commission has granted access permits to Aetna Casualty and Maryland Casualty, making them eligible for access to restricted data related to civilian use of atomic energy. AEC said the companies will need an "L" clearance to obtain data classified as confidential and a "Q" clearance for information classified secret.

## EMBLEMS OF INTEGRITY AND SERVICE



UTILITIES INSURANCE COMPANY  
PREFERRED FIRE INSURANCE COMPANY  
315 Pine Street St. Louis 2, Mo.

AUTOMOBILE • WORKMEN'S COMPENSATION • LIABILITY

## Study of Personal A&H Experience Is Released by Bureau

A four year collection of statistics on personal accident insurance has been released by Bureau of A&H Underwriters to its member companies. The publication, *Combined Personal Accident Experience—Commercial Policies*, is a study of exposure and losses designed to aid companies in the development and extension of their personal accident coverages with vital statistics hitherto unavailable.

Because the insufficient volume of the business continually limited the majority of companies writing accident insurance in assembling dependable statistics from their own experience, the governing committee of the bureau in 1948 commissioned the compilation of the needed statistical data from the collective experience of the member companies. The collection was compiled by the bureau's statistical committee under the chairmanship of Theodore O. Schwartz of Standard Accident. It covers the policy years 1948-1951.

The 82 page report shows that New Hampshire led the 48 states in the number of claim payments per 1,000 years of exposure for the four year period, with Alabama a slow second and Kansas a near third. About three-fifths of the disabilities resulting from accidents terminate in approximately two weeks. The greatest claim frequency occurs among the youngest and the oldest age groups. The report confirms the commonly accepted underwriting principle that Class A risks result in the fewest claims per 1,000 years of exposure.

The four year study is arranged in two parts based on the natural division of sex exposure for the period. Detailed tables are given on loss ratios by policy forms, combined policy forms, and combined classifications; exposure by classifications; exposure by age group for death and for dismemberment and disability; medical reimbursement by yearly cost, age group, policy form, and classification, and distribution of disability claims by period of disability for all policy forms and classifications combined. Part one on male experience adds two extra exhibits showing experience by

cause of accident and nature of injury and by territories.

Bureau Statistician David Robbins warned on the conclusions to be drawn from the study. Though the study contains loss ratio figures, a study of these ratios alone is an imperfect way of analyzing the experience, he said. Even if the premiums charged by all contributing companies had always been identical for any particular policy throughout the period studied, the loss ratio for the particular policy could be unduly high or low dependent on the accidental fluctuations of even some one benefit in the particular form.

Further loss ratio figures become even less reliable, when business based on different scales of gross premiums is thrown into a common experience. Nevertheless, since underwriters and claim men in the past have been accustomed to use loss ratios as a rough guide to financial results, loss ratio figures appear in some of the tables, he explained.

The study is available to all companies in the A&H field. Copies may be obtained by non-member companies from the bureau's executive offices, 60 John street, New York 38, at a cost of \$200 a copy.

### Michigan All-Industry Day Set for November 1

Michigan chapter of CPCU has scheduled an all-industry day Nov. 1 at Detroit.

The morning session will cover multiple peril development in commercial business with Robert Lutz of Planet as moderator. Russell Gallagher, insurance manager of Philco Corp., will speak at the luncheon, and also at the luncheon Dr. Harry J. Lohman, dean of the American Institute, will confer CPCU designations.

### Honor Fire Company

WASHINGTON—Samuel Spencer, chairman of commissioners of District of Columbia, presented District of Columbia Assn. of Insurance Agents' annual "fire company of the year" award to engine company 8, 7th battalion of the district fire department. The award was based on that company's good work in fighting a warehouse fire under difficult circumstances. Six other D. C. fire companies were honored with mention.

At the association luncheon American showed its slide film, "Sell the Whole Umbrella."

## Huge Chicago Street Lighting Job Bonded by U. S. F. & G., F. & D.

A combination performance and two-thirds, one - third payment bond amounting to \$10,463,842, covering installation of 20,000 new street lights throughout Chicago has been written by U.S.F.&G. with Fidelity & Deposit as cosurety. The bond was underwritten on a two-thirds, one-third basis, with U. S. F. & G. obligated for two-thirds of the bond penalty.

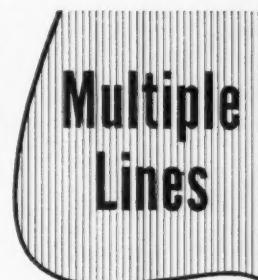
Meade Electric Co. and Kil-Bar Electric Co. of Chicago are the contractors. They were awarded the record lighting contract as a joint venture. The new lights will be installed along an estimated 6000 miles of Chicago streets in what officials say is the big-

gest street lighting program undertaken anywhere in the country.

## Aetna Fire Casualty Unit Is Opened at Cincinnati

Aetna Fire group has opened a casualty service office in Cincinnati with Thomas A. Ainley as manager. He will be assisted by Walter J. Dezekis as underwriter. Both have been with Aetna for a number of years.

Henry L. Frances, manager of the accounts department for Fidelity & Casualty, marked his 40th year with the company and was honored at a dinner by a group of America Fire officers and his business associates. Vice-president Frank E. O'Brien acted as toastmaster.



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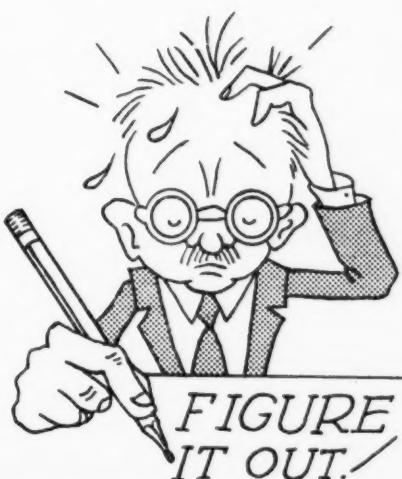


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# Plan More NAIMA-Company Liaison

## Top Authorities Evaluate Business Innovations, Point Out Challenges

The Tuesday morning panel session of National Assn. of Mutual Insurance agents proved every bit as excellent as the names of its participants suggested. Four company presidents, a company board chairman and five prominent mutual agents put on the line their ideas about constructive thinking for better business. The forum was moderated by James C. O'Connor, executive editor FC&S Bulletins of the National Underwriter Co. The company executives were Charles E. Nail, Lumbermens of Mansfield, Fred Ludwig, Pennsylvania Lumbermens, Minott Rowe, Worcester Mutual Fire, Fred A. Beckford, Lumber Mutual of Boston, all presidents, and John W. Gunn, chairman of Employers Mutual Casualty of Iowa.

Agent panelists included Benjamin G. Sager, Cleveland, Robert W. Putnam, Roanoke, Va., Hugh H. Murray, Jr., Raleigh, Harry E. Uhler, Baltimore, and Arthur Levy, New Orleans. Messrs. Sager, Murray and Uhler are past presidents of NAMIA.

Mr. O'Connor set the stage with some comments on competition. The greatest competitive problem facing insurance agents and companies operating under the American agency system, he said, is one of substituting facts for opinions, concerted action for debate. There are certain facts of competition which are generally agreed upon. It is strong and likely to become more intense. There still is competition of the "old type"—agents vs other agents; stock vs mutual; agents vs direct writers. In the older sense of the term meaning carriers, predominantly mutual, which operate through salaried employees; and the competition of a million other products, most more tangible than insurance, for the public's dollar.

Then, there is a new type of competition—that of carriers doing business on the so-called "captive agent" basis, appealing to a mass market. This segment has introduced into the fire and casualty business operating methods which were previously foreign to it, with considerable success.

Despite the new type of competition, Mr. O'Connor said, both agents and agency companies are enjoying a period of unparalleled prosperity. But there are questions to be answered. To what extent does the growth of captive agency carriers reflect business actually lost by agents, distinguished from business obtained from previously unsold markets? Is there anything wrong with the agency picture which a few more hours per day spent in hard selling will not cure?

To what extent are agents bogged down with office detail which cuts into selling time? Just how important has price been in the growth of captive agency competitors? How close must the agency system's price approach that of the competition and how close do agents want it to come or need it to come? How much difference would variously proposed "streamlining" changes make? How much service does the agent perform? What service

should be expected of him? Assuming that the agent does have something to offer which the captive agent does not, how is the public to be told this story?

Mr. Nail said automation and more efficient methods are the program of the day and the future. But agents are not going to be eliminated. Company and agent are bound together and there is no possibility of one working without the other. Switching a company from direct-writing operations to agency methods is difficult, he said. A reverse switch seems impossible.

The mutual agent must recognize and accept the responsibility for the continuation of dividends and deviations. This means agents must make some attempt to select his own business, understanding that companies cannot do the entire underwriting job alone. With expenses increasing, it is doubtful that companies can keep dividends up if the agent offers run-of-mine business.

Mr. Sager partially debunked the much heard argument that agents are over-burdened with office detail. This has increased, he said, but the increase in office work is directly proportional to increase in volume. He can cut down detail by cutting volume, but he prefers to do it by more efficient procedures. Mr. Sager said Cleveland area mutual agents find that their business is staying with them. Captive agency competition seems to be drawing on previously untapped markets and, perhaps, from the stock agents' volume.

On selling, Mr. Sager advised the agent to sell himself first and to leave price out of the conversation as much as possible. As long as the agent supplies what he has sold, he said, nobody can disturb the business.

Mr. Sager is disappointed with homeowners policy C. Agents were told that the C policy was the ultimate in insurance protection for the home owner, he said, but, since the policy deprives the insured of protection against earthquake and flood, this is not so. The comprehensive dwelling endorsement of Transportation Insurance Rating Bureau, combined with a personal property floater, results in better protection.

In another vein, Mr. Sager suggested much more extensive use by companies of agent advisory councils. The agent is investigated carefully before he is appointed, he said, but he in turn is seldom in a position to look into the company's operations. It is unheard of for an agent to order a credit report on the insurer. Advisory councils give agents an opportunity for face-to-face discussion with company officials about plans and operations.

Mr. Ludwig's remarks were especially interesting, since they represented a comparatively fresh viewpoint in view of the fact that he has been an insurance executive for less than two years. From this view, Mr. Ludwig stressed that the insurance business needs new ideas plus a powerful drive

(CONTINUED ON PAGE 39)

## IDEA FORUM

### Tell How to Flavor New Covers With Sharper Selling

With Dr. Curtis M. Elliott, University of Nebraska, as moderator, the Tuesday afternoon forum on constructive ideas for utilizing recent developments in coverages to sales advantage was stimulating and productive. Speakers were T. L. Osborn Jr., vice-president American Manufacturers Mutual; E. J. Raabe, assistant secretary Central Mutual; F. A. Greenwood, assistant secretary Lumbermens of Mansfield; G. C. Stricker, Millers Mutual Fire of Texas, and G. V. Fuller, vice-president Lumbermens Mutual Casualty.

Generally, the panel reflected satisfaction with the rapidity with which coverage developments have recently taken place. Topics included the new workmen's compensation policy, the comprehensive general liability policy, the nation-wide marine definition, commercial block insurance and dwelling innovations, including residence package policies.

Dr. Elliott illustrated how improved forms can result in coverage of various hazards which could not possibly have been imagined by drafting committees. Loss of ladies' unmentionables for example, in the campus panty raids which made news several years ago is covered under the riot feature of the extended coverage endorsement.

Mr. Fuller said the time spent in getting familiar with the new workmen's compensation policy may not be rewarding, immediately, but insured, company and agent benefit in the long run from the elimination of friction. He said the new policy is more concise and easier to use, in most states it does not require endorsements and offers economies in writing and issuance. The employers liability coverage is more comprehensive. Manual rules are considered a part of the policy and provisions of state laws on occupational disease need not be added by endorsement.

The new standard liability provisions eliminate confusion among agents and insured, Mr. Fuller said, by eliminating inconsistency of coverage. They make it simple, he said, for all parties concerned to know and agree about the scope of the contract.

The effect of changes resulting from the 1953 marine definition—especially as respects the agent—was discussed by Mr. Stricker. He outlined the history of the definition and its necessity and delved into an exploration of what he described as the "fine line between IM and multiple line." The trend is toward broader and broader contracts, he said. That is what the public wants and what the public will get. Mr. Stricker also detailed changes in a number of standard forms and referred to all risks dealers policies, now available for several classes.

Mr. Raabe handled the dealers policies—commercial block insurance—in detail. He described the field as one of the most significant insurance developments of the day. A source of

(CONTINUED ON PAGE 40)

## E. A. Lamb Named at Cincinnati Rally; 700 Attend Annual

### Resolutions Deal With Flood Coverage and Retroactive Rate Changes

By BERNARD P. McMACKIN JR. and ROBERT C. DAUER

CINCINNATI—National Assn. of Mutual Insurance Agents held an enthusiastic annual meeting here, attendance pushing the 700 mark at press time, with the agents delighted over the formation of the long-desired conference with agency mutual companies, with a program which met with universal approval.

Earl A. Lamb, New York, was elected president to succeed J. F. Montgomery, Jackson, Miss.

New vice-presidents are A. H. Field, Hickory, N. C.; C. P. Coates, Ft. Worth; D. L. Colburn, Sac City, Ia.; R. B. J. Williams, Kansas City, and C. O. White, Fremont, Mich. C. M. Boteler, Washington, was re-elected treasurer and R. A. Shenefield, Toledo, continues as secretary. P. L. Baldwin, Washington, the popular and efficient executive secretary, was continued in office and, as far as the wishes of the membership go, will stay there indefinitely.

Mr. Lamb, who lives in Summit, N. J. is head of the Heffner Agency in New York. He joined the Heffner organi-



J. F. Montgomery

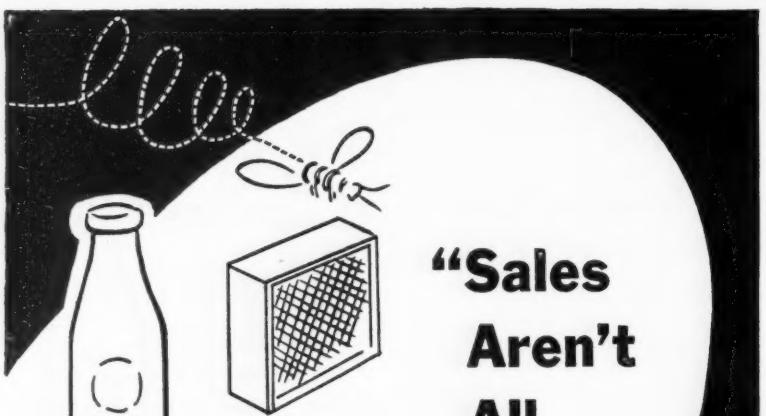


E. A. Lamb

zation in 1936, having entered the insurance business as a life man with Phoenix Mutual at New York in 1933. He was elected president of the New York Assn. of Mutual Insurance Agents in 1953. Mr. Lamb has three children, Earl Anthony, Jr., 14, Elizabeth, 12 and Christopher, 7.

Two resolutions were adopted. Rating bureaus were asked not to make rate changes retroactively, and, with floods in the east dominating the newspaper headlines as the convention went on, there was marked sympathy for the second resolution which pledged full cooperation of NAMIA in finding a workable scheme of disaster insurance coverage.

After Mr. Montgomery opened the convention and Rev. E. S. Moreland, pastor of Cincinnati's Walnut Hills Christian Church, gave the invocation, conventioners were greeted by G. H. Harsh, Minerva, president of Ohio Assn. of Mutual Insurance Agents. Superintendent Pryat of Ohio gave the welcoming address. There were greetings also from Herman Harrington, (CONTINUED FROM PAGE 42)



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As an agency-minded company we know all the work that goes into making a sale. When the going gets tough agents appreciate help . . . and the Worcester Mutual is always there to give it.

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RELIABLE FIRE PROTECTION  
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## Mutual Company-Agent Group Is Taking Shape

CINCINNATI—A much heralded mutual company-agent relations committee seems certain to be doing business 30 to 60 days hence following a round of meetings held a day in advance of the convention here of National Assn. of Mutual Insurance Agents. The new body took on a permanent look after representatives of 65 mutual companies formed themselves into a company advisory conference, elected officers and went on to elect 12 of their number to serve on the relations body.

Just a brief step behind, NAMIA's directors authorized appointment of a standing committee as its voice in the new organization, following a conclave of the new company group and a special NAMIA committee which was formed after the association's convention two years ago.

Mutual agents and company men have variously expressed the need for a group which would be in a position to devote itself exclusively to the interests of the mutual agency system. Existing mutual organizations, with the exception of NAMIA itself, have members who are direct writers and "modified agency" plan insurers. These bodies serve their purpose well, it has been pointed out, but it has not been possible to tackle direct-writer competition and kindred problems within their framework, for obvious reasons.

The company-agents relations committee plans to restrict its activities to four areas—none of which seems to infringe on the functions of such bodies as American Mutual Alliance, National Assn. of Mutual Insurance Companies or others. The four areas are, (1) better advertising and selling methods; (2) more efficient and economic office procedures; (3) education and training and (4) more effective public relations. A subcommittee will be responsible for each.

Chairmen and vice-chairmen of the sub-groups are all company men. Agent representatives will serve as members. However, an agent will occupy the chair of the parent committee.

L. M. Dunathan, Shelby Mutual, is chairman of the subcommittee on ad-

## Mills Heads Mutual General Agents Group

CINCINNATI—Maynard V. Mills, Lincoln, Neb., has been elected president of Mutual General Agents Assn. succeeding J. I. Laird of Harrisburg, Pa. Mr. Mills, who has been vice-president of the general agents group, was elected at the annual meeting held during the convention here of National Assn. of Mutual Insurance Agents.

The general agents devoted a considerable portion of their meeting to discussing the newly formed company-agents relations committee and the company advisory conference. There was considerable enthusiasm about the new organizations and the general agents will lend support. They have offered to make their facilities available to the relations committee.

William E. Swigart, Swigart Associates of Huntingdon, Pa., is the new vice-president and secretary and the post of vice-president and treasurer will be filled by N. C. Lerdahl, Reitan-Lerdahl, Madison, Wis.

New directors are H. D. Bean, Haddonfield, N. J., Eric Williamson, Kansas City, Mo., J. D. Randolph, Greenville, S. C., and F. B. MacNeill, Miami.

Agency Superintendent C. F. Gillmore headed the Utica Mutual suite, assisted by H. P. Halpin, assistant agency superintendent, and A. H. Campbell, manager at Richmond.

Advertising and selling methods, with S. M. Waugaman, Central Mutual, as vice-chairman. Office procedures will be handled by R. N. Hiatt, Indiana Lumbermens, and H. H. Veit, Merrimack Mutual. D. C. Cook, Grain Dealers Mutual, and Geoffrey Christian, Northwestern Mutual, are chairman and vice-chairman respectively of the subcommittee on education and training. The public relations group will be under the direction of J. J. Ford, Pennsylvania Lumbermens Mutual, with N. C. Flanagan, Lumbermens Mutual Casualty, and R. R. Hoadley, Preferred Mutual, vice-chairman.

L. K. Sharp, Mill Owners Mutual, was elected chairman of the company advisory conference. Mr. Sharp had been temporary leader of the conference since the NAMIA midyear at Dallas. Vice-chairman is J. D. Cox, Jr., Berkshire Mutual, and Russell Davis, Lumbermens Mutual of Mansfield, is secretary.

The relations committee will use the facilities of the Washington headquarters of NAMIA for channeling information and P. L. Baldwin, NAMIA executive secretary, has the post of secretary of the committee. C. M. Boteler, Washington, has been chairman of the NAMIA special committee which participated in a major way in the formation of the new company-agents group. Mr. Boteler presided at the joint meeting of the company advisory conference and NAMIA representatives.

Project reports are expected from the four sub-committees at NAMIA's midyear in Atlantic City next June.

In the corridors, hospitality headquarters and other places were conventioning agents and company men gathered there was marked optimism. Many observers expressed satisfaction that the relations committee has established precise boundaries which seem not to encroach upon the prerogatives of other mutual organizations.

## we wear 3 hats



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The Old Favorite Hat is for the satisfying, comfortable personal relationships we enjoy with the independent local agents who have represented The Berkshire through the past 120 years.

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October 20, 1955

**Evaluate Innovations, Point Out Challenges**

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for winning. Everybody wants new and better ways of doing business, he said, but, when they are presented, we all shrink and hold out for traditional methods.

Companies have a responsibility of making available a sufficiently attractive package to equal what's on the market, Mr. Ludwig said. Mutual companies must learn to lead and not to trail. Price must be reasonable, with full value for that price, and there must be more selling. There are too many insurance producers who are "one talent" men. From a lifetime of selling experience, Mr. Ludwig believes many insurance men have got to get down to business on this score.

More support for streamlined methods came from Mr. Putnam. He pumped for continuous policies or renewal certificates as well as realistic installment premium methods. The public has learned to buy practically everything on a financed basis, he said. Yet the insurance business has sat back. In effect, this amounts to sponsorship by agency system insurers and agents of such competition as is being offered by the captive-agency organizations. The important question, he said, is not how the insurance business wants to sell but how the public wants to buy.

Mr. Putnam discounted the idea that the gains made by direct writers, etc., are from the untapped market and stock insurers. The people who are attracted by modern merchandising methods are a majority of the market.

Let the companies handle renewals on their automatic equipment, he said. This will not rob the customer of anything, but it will cut agency expense and make more selling time for agents.

If thinking is to be constructive, Mr. Rowe pointed out, it must be objective and this must include a willingness to accept change. There are four areas which require constructive thinking—price competition, the need for flexibility of opinion, research and coverage of major catastrophe exposures. The most interesting of these from the point of view of the agent, Mr. Rowe feels, is price competition.

To get into price competition, Mr. Rowe said, companies simply must reduce the number of pennies in the premium dollar which are lost to inefficiency. Duplication of records between agencies and company offices is expensive. Automation will help.

Mr. Rowe urged agents not to worship the *status quo*—to have the nerve to accept drastic change for the better.

Mr. Murray said both producers and companies must soon decide which way they are going to go. With producers, the question is peddler or professional. The peddler, he says, works with the product "as is." He takes his primary competitive advantage from price and calls on a lot of people. Parenthetically, Mr. Murray suggested that agency system producers should not object to the peddler's calls. In some respects, he said, they create prospects for us, since they get many people interested in insurance who will ultimately buy from agents.

Mr. Murray advised those who decide producers should become peddlers to take jobs with a direct writer now. But he indicated that it is not the direction in which he thinks insurance men should turn. Patent medicines have been on the market for as long as one can remember, he said, but this has not put the doctors out of business. The insurance man, similarly, should

prescribe instead of taking orders or reconcile himself to becoming a captive.

The medical profession comparison was drawn on by Mr. Murray also to illustrate his point that insurance companies, too, should make some decisions about the future. Flood, earthquake and similar catastrophes are problems on which the companies should "get their heads out of the sand." The medical profession has not simply ignored cancer, polio, etc. They have devoted enormous energies to these diseases. Insurers ought to regard catastrophe problems with the same approach.

Private industrial use of atomic forces creates a major insurance problem, Mr. Murray pointed out. He believes casualty insurers are showing the most imagination in dealing with this. So far, the two major contributions to this problem of the insurance business have come from companies which Mr. Murray described as predominantly casualty organizations, Liberty Mutual and Travelers. Marine underwriters do not shy away from new methods either, but fire companies, Mr. Murray stated, are always last on the list, with mutual fire companies seeming to do least of all. It is the established argument between specific hazard underwriters and the marine all risks approach, he said, and he regrets that specific hazard representatives seem to have taken the upper hand in a number of contemporary insurance problems.

Mr. Gunn presented an eight-point program for the future. There is a need for a program of market research, he said. This involves looking at the customer from the inside out, reject "what can we sell him?" Mr. Gunn suggested, for "what protection does he need?" Company operational methods may need a major revision.

Perhaps the time has come for a company to have only two departments, one devoted to personal insurance and the other devoted to commercial accounts. Similarly, there is the possibility the one-man multiple line agency cannot survive. Maybe this agency ought to combine with others in a "protection clinic," with specialists in major lines. In the same trend, should companies sell their coverages

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Because we believe the best service to the insuring public is through the American Agency System, we are strictly an Agency Company.

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**Employers**  
A NATIONAL INSTITUTION  
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his own fee, measured by the value of his service?

Mr. Gunn also proposed that agents take booths or space in hometown super-markets or department stores. The package policy idea ought to be extended to an entire personal bundle of physical damage, liability, automobile, A&H and hospitalization coverage, he said. This calls for a program of product research.

In the interest of self-preservation, Mr. Uhler said, the mutual agent must reflect the philosophy of the companies he represents. The agent knows a good risk from a bad one, he said. If the agent is too commission conscious to apply this knowledge, there will follow adverse experience, trouble and eventual termination of the agency agreement.

Mr. Uhler holds out for representing a limited number of companies.

He suggests two casualty companies tops and a sufficient number of fire companies to supply capacity for the agency's average risk.

Mr. Beckford devoted a substantial portion of his talk to praise for the newly formed mutual company-agents relations committee. The committee can do much, he said, if it keeps its eye on its announced goal of strengthening mutual insurance.

Mr. Levy, who provided considerable humor in his talk, said the agent should never discount his own importance in the business. The tremendous size of the insurance business is largely to the credit of agents. The great opportunity of the mutual agent, he said, is that he is selling the same product as his competitors for 20% less.

Mr. Levy also suggested that companies build up an advertising fund to promote mutual insurance, perhaps with a nationwide television show. He expressed the recently popular sentiment that ads in national magazines devoted to the strength and size of an insurance company mean something only to insurance people. The public is not often impressed.

At Shelby Mutual's headquarters, visitors were given an opportunity to meet the company's new fire manager, J. F. Stehling, and to renew acquaintances with P. H. Dubuc, agency secretary, L. M. Dunathan, secretary, O. C. Griffith, assistant to the president, Richard Phillips, agency representative, E. P. Curry, automobile manager, and R. E. McCombs, publicity director.

President H. T. Moses, Union Mutual, greeted NAMIA visitors with the help of Les Fales, advertising manager, and W. W. Woods, special agent.

**Flavor New Covers  
With Sharper Selling**

(CONTINUED FROM PAGE 87)

difficulty has been how to classify these policies—multiple line or inland marine. A multiple line property policy, Mr. Raabe said, is one which combines coverages which have been handled traditionally by two or more rating bureaus. However, whether a given block policy is inland marine or multiple line depends upon the attitude of the state insurance department, whether the class is provided for under the definition and whether it covers all property, including improvements and betterments, etc. The important question, he said, is not whether a block contract is IM or ML, but whether it can be written and when.

Rating methods for commercial block policies are presently somewhat vague, Mr. Raabe said. One artificial method involves a judgment factor and sometimes produces a lower premium than that developed by the fire and extended coverage rates for the risk. Two rating bureaus, he said, are understood to be about to file block forms for all merchandise dealers, every type of retailer and some wholesalers. These will cover all property—on and off the premises—on an all risks basis. Rating procedure is still indefinite, but it is believed an invisible premium is in the cards. Policies will probably have a pick-up endorsement. Later, Mr. Raabe understands, a similar policy will be developed for manufacturers. The manufacturers output policy, on the market as a standard contract for several years now, has certain disadvantages, he said. Among them the high minimum premium and the fact that consequential cover is not available.

On dwelling coverages, there were separate discussions of package policies and separate forms. Mr. Osborn handled the packages. He decried the fact that some people feel that developments have occurred too swiftly in the broadened dwelling risks field. These developments reflect an attempt to give the most coverage for the least money, he said.

The Kemper companies have conducted a survey among their agents, Mr. Osborn reported, the results of which show that 102 of 124 agents in states where homeowners policies are available are using them. In New England 92% of the agents surveyed are using homeowners, 67% said they met no price resistance and 49% were using special advertising material to push the policies. The survey also indicated that 43% of the agents found other

**ABINGTON MUTUAL FIRE  
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lines coming in as a result of homeowners and 76% say their homeowners volume is up to expectations.

Mr. Osborn said his group has also spot-checked daily reports to find if homeowners are simply replacing other policies—69% represented new business. On over 60% of the dailies checked, the use of pick-up endorsements indicated some agent is losing business to the producer who has taken the time and trouble to sell the homeowners. The latter statistic means, Mr. Osborn indicated, that an agent ought to approach present insured now with homeowners, and not wait for expiration date. This means he will not be caught unaware by another agent's pick-up endorsement later on. Mr. Osborn expressed personal distaste for the pick-up feature, describing it as a "vicious, iniquitous contraption."

Turning to the comprehensive dwelling policy of Interbureau Insurance Advisory Group, Mr. Osborn stated that, by and large, the CDP will produce a lesser premium on policies over \$18,000 than homeowners.

"Packages are not perfect—maybe not the best for the insured—but substantial improvements can be expected and may have already been developed," Mr. Osborn concluded.

Mr. Greenwood's talk was concerned with opportunities for sale of the broad and special (all physical loss) forms. He said the present wide acceptance of extended coverage suggests that the new endorsements mean money to the agent. He also touched briefly on the Transportation Insurance Rating Bureau's comprehensive dwelling endorsement, householders limited theft coverage and additional extended coverage.

In a lively question and answer session which followed the panel, much interest was shown in the pros and cons of the pick-up feature of homeowners, and the suggestion of some that the insured be advised to cancel existing lines short rate rather than rely upon the pick-up. One negative feature of the latter suggestion, Mr. Osborn pointed out, is that the competition thus acquires expiration dates on the agent's homeowners automatically.

Among Ohio mutual insurers which maintained hospitality headquarters was Guarantee Mutual of Springfield. H. H. Rohrer, agency supervisor, and M. J. French, manager, were on hand and had the assistance of D. W. Caton, special agent.

Vice-president J. D. Cox represented Berkshire at the NAMIA convention. C. B. Anderson Jr., assistant secretary, was held up by floods in the east.

Northwestern Mutual Fire Assn. headquarters were manned by Geoffrey Christian, vice-president, H. D. Heath, manager of the midwestern department, and H. A. Orders, manager of the eastern department.

## Ohio Department OKs Shelby Mutual Filing

The Ohio Insurance Department approved the 15 deviation, non-participating, fire insurance filing of Shelby Mutual as of Oct. 17 and the company is planning on writing its first fire policies this week. A number of directors and other leading people in Shelby are expected to be the first insured. J. F. Stehling, formerly with Berkshire Mutual, is in charge of fire business.

Edwin S. Overman, assistant dean American Institute for Property and Liability Underwriters, discussed professional education and its connection with better business. Dr. Overman expressed dissatisfaction with the sometimes offered idea that insurance education should deemphasize theory and get down to practical matter. Professional service depends upon understanding on the part of insurance men, he said, plus the ability to transmit this.

The eastern floods and the insurance problems they pose are an example of the practical necessity for a good knowledge of insurance theory. During a recent flood, Dr. Overman said, he happened to be in an agent's office when phone calls were coming in from insured who wanted to know whether they had coverage. The insurance man simply dismissed these inquiries with the statement that there is no coverage, he said. He should have been able to explain, drawing upon various principles of insurance, why flood is not a generally insured peril.

Also on flood and other disaster coverages, these are major insurance problems. They must be solved by the insurance business or public opinion will demand that the government supply the answers. The business cannot hope to solve the problem unless there is a reservoir of insurance people who understand the principles.

Among the theories and principles which a prospective CPCU is expected to acquaint himself, Dr. Overman said, are insurable interest, subrogation, negligence, proximate cause, indemnity, coinsurance, reinsurance and deductible.

Kentucky Assn. of Mutual Insurance Agents provided color and hospitality during the National Assn. of Mutual Insurance Agents convention. Half a dozen genuine Kentucky colonels, attired in the traditional blue grass costume were hosts at the association's headquarters. The colonels included B. F. Zimmer, Celina Mutual Casualty; J. F. Snowden, president of the Kentucky association; Harry Beckmeyer and Harry Schaeper, Newport Mutual; R. M. Guthrie, State Automobile Mutual, and V. S. Slade, secretary of the association.

At Lumber Mutual Fire's hospitality suite were F. A. Beckford, president, Frank Rothwell, 1st vice-president, and K. W. Skillan, agency supervisor.

Incorporated 1902

## The OHIO HARDWARE

Mutual Insurance Company

Coshocton, Ohio

An Excellent Company to Know

## PILLARS OF MUTUAL SATISFACTION

### Lumbermens of Mansfield

Non-assessable, dividend paying, good will policies and services have been the mainstays of our growth.

We suggest that you join us for your share of the good will — and the profit.

BRANCH OFFICES  
Dallas, Texas  
Los Angeles, Calif.

Today LUMBERMENS is a highly valued company because a solid foundation was laid in the beginning—a foundation for working for the benefit of all concerned in our underwriting transactions. From this solid foundation rise our four pillars of Mutual satisfaction—

- Non-assessable, dividend paying policies.
- Speedy and just settlements for losses—anywhere across the nation.
- Agency sales helps, promotion material, and personal sales guidance.
- Substantial returns to our agents, plus the good will now recognized as outstanding in our fields of coverage.

We suggest you join us. Write today for your copy of "Gold Mines on Main Street".

Good Will Policies across the Nation

THE LUMBERMENS  
Mutual Insurance Company  
MANSFIELD, OHIO



ALWAYS DEPENDABLE

## Farmers Alliance Mutual Insurance Co.

ALLIANCE MUTUAL CASUALTY CO.

McPherson, Kansas

LOCAL AGENCY SERVICE SINCE 1888



## COMPLETE Multiple Line Facilities for "Shelby" Agents

- ✓ Now that Ohio law permits the writing of Fire and Casualty business by the same company, complete multiple line facilities, including the popular 'package' type of policies will be available in the 'Shelby Mutual'.
- ✓ Fire business will be given the same careful attention and will be backed by the progressive management policies that have been responsible for 'Shelby' popularity thru the years. We expect to have that department in full swing in the next few weeks.

THE *Shelby*  
*Mutual*  
INSURANCE COMPANY OF SHELBY, OHIO

Service thru Agents since 1880

*State*  
Automobile Mutual Insurance  
Company

Columbus, Ohio

Established 1921

One Of The Largest Multiple-Line Mutual  
Companies Operating Exclusively Under  
THE AMERICAN AGENCY SYSTEM

Automobile — Fire — Bonds  
General Liability  
Burglary — Glass

Agency Connections Available In  
Alabama — Georgia — Florida — Kentucky — Maryland  
Michigan — Missouri — Ohio — Tennessee — West Virginia

### Mutual Agents Name

#### Lamb at Cincinnati

(CONTINUED FROM PAGE 87)

Cincinnati, general chairman of the convention. An Ohio industrialist, Dr. Tennyson Guyer of Cooper Tire & Rubber, Findlay, gave the principal talk.

One of the more interesting events of the Monday program—A discussion of ways and means for use by smaller property insurance agents of IBM and other machine methods—was condensed to less than 10 minutes because a crowded business program scheduled to follow was already late in getting under way.

W. C. Bein, special insurance representative of IBM talked about the possibilities for punch card operations in agencies. It is possible, he said, to collect such vital information as expirations, accounts receivable, company accounts payable, ledger line records, etc., with great efficiency. Service is available for as low as \$75 monthly.

The Standard Register Company representative, D. D. Jones, talked briefly about automation on a small scale for the improvement of local agency operations. Mr. Jones cited the contributions of E. E. Roberts, Springfield, O., a member of NAMIA'S board of directors, for his contributions to Standard register's agency systems.

Mr. Shenefield reported on the committee in charge of NAMIA'S group errors and omissions insurance. He said response had been very good, but needed the cooperation of all state associations to make it completely effective. To show that it fills a genuine need, Mr. Shenefield said that so far there have been 33 claims made against members, of which four have been closed by settlement and six more are still pending, with reserves established. A number of others are still listed as pending without reserves, which means that insurer does not think there is any liability, but Mr. Shenefield pointed out that this shows the value of insurance and the importance of the defense service. There was a lively discussion in which there appeared many questions about this coverage and its legality and need for it.

H. H. Murray, Raleigh, past president, reported on his work as a mem-

ber of the insurance council of U. S. Chamber of Commerce. He emphasized the number of insurance men who play major roles in the chamber and discussed the function and makeup of the organization.

C. G. Jones, Bluefield, W. Va. chairman agency management committee, reported that his group was responsible for the series of articles in *Mutual Review*, NAMIA's house organ, by Mr. Roberts, and also for the regular monthly column in the magazine on the subject. The committee has continued its efforts to make constructive suggestions for improvement of agency helps. Currently, it is working on simplified fire and automobile applications.

### 11 New Directors Are Elected at Cincinnati

New directors of National Assn. of Mutual Insurance Agents, elected at the association's annual convention here, are J. D. Gurley, Birmingham; Frank Copeland, Orlando, Fla.; Edward Larsen, Omaha; A. W. Preble, New Haven; H. D. Bean, Haddonfield, N. J.; J. C. Parsons, Syracuse; F. E. Wigg, White Plains, N. Y.; R. A. McCool, Memphis; W. N. Jackson, Salisbury, Md.; J. C. Walters, Reading, Pa., and Ed Gothen, Milwaukee.

Nominating committee head was J. H. Shuman, Bloomsburg, Pa. Mr. Shuman had as members of his committee Warren Yackee, Napoleon, O.; J. S. MacLellan, Clayton, Mo.; J. M. Hefner, Jr., Dallas, and Leroy Dickson, Orlando, Fla.

Directors whose terms expired include Marlin Moore, Tuscaloosa, Ala., P. H. Crandon, Stratford, Conn., Douglas La Fontaine, Somerville, N. J., E. F. Wright, Valley Stream, N. Y., Lee Ihle, Knoxville, Nels Lerdahl, Madison, Wis., and Lyle Wiedman, McCook, Neb. Also among the retiring directors are Messrs. Jackson and Shuman.

Lumbermens of Mansfield was among the companies whose president was at the NAMIA convention. C. E. Nail was accompanied by Russell Davis, vice-president, D. W. Evans, agency supervisor, D. G. Roth, secretary, F. A. Greenwood, assistant secretary, and special agents R. E. Sneeringer, Russell Davis, Jr., and J. B. Abee.

### GREETINGS AND BEST WISHES

TO ALL OUR MANY FRIENDS

WITH THE

NATIONAL ASSOCIATION

OF

MUTUAL INSURANCE AGENTS

INDIANA LUMBERMENS  
MUTUAL Insurance Company  
INDIANAPOLIS 9, INDIANA

## 600 Attend NAMIA Gay Nineties Party

A "gay nineties" party Monday night drew 600 and aroused much enthusiasm. Costumes ranged from old time bathing suits to doll gowns. Mrs. R. B. Williams, Kansas City, whose husband was elected a vice-president at the meeting, H. Been, Haddonfield, N. J.; Mrs. Marvin Bjorklund, Glascow, Mont., and Harry Beckmeyer, Newport, Ky., won prizes for their costumes.

Ohio 1752 club, the mutual field organization of the state, sponsored the hospitality which preceded the closing dinner Wednesday.

**NAMIA** wives had an active time during the Cincinnati convention. Activities included a bingo party, a tour of the city, luncheon in a northern Kentucky colonial tavern and a cruise on the Ohio river. Russell Davis, vice-president of Lumbermens of Mansfield, talked to the ladies at the luncheon on the value of wives to the mutual insurance business.

**Mill Owners Mutual** headquarters had L. K. Sharp, executive vice-president, H. E. Hudelson, vice-president, and G. N. Canon, underwriter, as hosts.

**Pennsylvania Lumbermens** distributed Daily Agent News, a newspaper of convention activities, under the direction of J. J. Ford, vice-president, and C. R. Gruber of the company's advertising agency. Also on hand from Pennsylvania Lumbermens' home office were J. J. Lynch and John Henry.

**George D. Haskell** of Chicago represented American Mutual Alliance at the agents meeting. Mr. Haskell is well known to mutual agents, both as a speaker at state conventions on taxation matters and also as director of the popular educational forums of the alliance.

Two well known Shelby mutual agency executives, **L. D. Dunahant**, secretary, and **Paul H. Dubue**, agency secretary, were receiving congratulations on having become grandfathers within a short time of each other.

The Central Mutual contingent included S. M. Waugaman, agency secretary, and Mrs. Waugaman; H. D. Kephart, assistant secretary and Mrs. Kephart, and E. J. Raabe, assistant secretary.

## Must Show Certificate to Get Driver Training Discount in Texas

Texas board of commissioners has ruled that where driver training credit is desired in automobile rates, a photographic copy of the driver training certificate will be required. The underwriting office of the company assuming the risk must obtain such certificates, the board has ruled. The change will be effective Nov. 1.

## Pacific Employers To Sell 10,000 New Shares

**LOS ANGELES**—Pacific Employers has made application to the California department for a permit to issue and sell to stockholder 10,065 1/2 shares of its \$5 par value capital stock at a price of \$20.70 per share, to net the company \$208,352.40. The application sets forth the permit is sought to increase capital and to care for expansion of operations.

## Indiana Insurance Leaders Turn Out to Honor Wells

INDIANAPOLIS—About 200 insurance leaders in Indiana turned out at the dinner-party at the Indianapolis Athletic Club honoring outgoing commissioner Harry E. Wells, and introducing William J. Davey, the new commissioner.

Jack J. Rosebrough, general manager of Farm Bureau Mutual of Indiana, was chairman of the Indiana Insurance Industry Committee that planned the party, and acted as master of ceremonies. Edward P. Gallagher, executive vice-president and general counsel of American States, was the principal speaker. He reviewed Mr. Wells' 25 years of service to Indiana government, emphasizing the years since 1945 when he became chief examiner in the insurance department. He was appointed commissioner in 1952 by Governor Craig. Mr. Gallagher cited particularly Mr. Wells' excellent legislative record. He pointed out that Mr. Wells' extensive program was passed virtually 100% by the most recent legislature, although it was highly technical in nature. He stated that the new laws were passed, "not because all the legislators understood them, but because they had faith in Harry Wells."

Mr. Gallagher also introduced the new commissioner, who has been chief examiner for the past two years and has served in the department since 1947 when he graduated from Butler university.

Both Mr. Wells and Mr. Davey made brief replies and the outgoing commissioner was presented with a set of matched luggage in appreciation for his services. Mr. Wells had resigned his post to become president of American Travelers of Indianapolis. Earlier in the day, Commissioner Davey had been sworn in by Judge Walter Pritchard of the Marion county superior court.

## Campion to Top Post in West for Phoenix, as McKenna Retires

Harold A. McKenna, vice-president, Phoenix Indemnity, Columbia of New York and United Firemen's and resident manager of the western department at Chicago of London Guarantee and Phoenix Assurance, has retired. John J. Campion succeeds to Mr. McKenna's offices and position.

Mr. McKenna was given a luncheon in New York City and presented a gold cigarette box with 50 inscribed signatures and a gold watch by fellow officers and employees.

Mr. McKenna joined London group in 1921. He was resident manager of London Guarantee in New England. In 1937 he transferred to Chicago as agency superintendent for the group and in 1944 became manager there. Under his guidance, the Chicago branch became an autonomous office.

Mr. Campion joined Phoenix of London group in 1942 as state agent of all the fire companies in Michigan. In

1947 he advanced to assistant secretary and transferred to the home office in New York in charge of the western fire underwriting department. Last Jan. 1, he was named associate manager of Phoenix's western department.

manager of the department. The field staff will consist of C. D. Brummett, formerly with K. T. Martin & Co. and Floyd West & Co., as adjuster and field man, and Victor E. Johnson as special agent in north Texas. Mr. Johnson succeeds C. S. Goode, who has been transferred to the home office as a fire examiner.

## Cleveland Mutual Liquidated

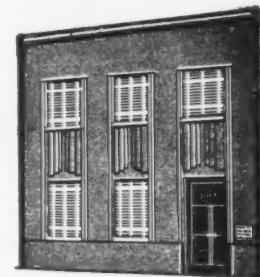
Mutual Fire Insurance Society of St. Matthews Church, Cleveland, is in the process of liquidation and has surrendered its charter.

## INLAND MUTUAL INSURANCE COMPANY HOME OFFICE

HUNTINGTON, WEST VIRGINIA

In our 19th Year  
of Successful Operation

Specializing in  
FINANCIAL RESPONSIBILITY  
AND  
SUB-STANDARD RISKS  
LIABILITY AND  
PHYSICAL DAMAGE



Prompt and Efficient Nation-wide Service

Licensed in 23 States and the District of Columbia

Financial Condition as of December 31, 1954

Assets: \$2,892,322.30 Surplus: \$1,269,603.20

NON-ASSESSABLE

Rated "A+" (Excellent) by Alfred M. Best Co., Inc.

## IAWA MUTUAL INSURANCE COMPANY DE WITT

Since 1900

MULTIPLE LINES  
AN AGENCY COMPANY



## New A&H Trade Assn. Nearly a Reality

(CONTINUED FROM PAGE 1)

zation about Nov. 1, together with an application form and schedule of dues, to all A&H companies which are members of the seven trade associations making up the joint committee. These associations are: Bureau of A&H Underwriters, H&A Underwriters Conference, American Mutual Alliance, American Life Convention, Life Insurers Conference, Assn. of Casualty & Surety Companies, and Life Insurance Assn. of America.

One of the prime functions of Joint Committee on Health Insurance was to work out a means of setting up a combined A&H trade association. It is expected that when Health Assn. is fully organized and operating it will take over most of the activities of the task forces of the joint committee and the joint committee will be dissolved.

Health Insurance Assn. of America will have offices in New York, Chicago and Washington. Present staff members of the conference and bureau will have important positions in the new association, and because the combined association will handle such a much larger scope of activity, it is felt that the stature of the staff positions will be enhanced.

Also last week the Institute of Life Insurance board of directors approved taking another step toward implementing the request of the A&H industry that the institute act as the public relations organization of the business. The institute committee that has been working on the matter will endeavor to work out a setup that will be agreeable both to the institute and the business. One of the possibilities is that the public relations function would be handled by a separate but closely affiliated organization in which some of the institute's staff members would hold supervisory positions.

The activities of the Health Insurance Council, which is supported by nine trade organizations interested in A&H insurance, probably will fall under the jurisdiction of Health Insurance Assn. The council does a great deal of work with doctors and hospitals, handles hospital admissions plans, claim blanks, etc.

If, as seems more than likely, present plans are approved, the A&H business will have a single trade association, plus a unified public relations organization conducted under the aegis of Institute of Life Insurance.

Even before the idea of combining the A&H functions of all seven of the trade groups was under way, there was a movement to obtain a close liaison between the two principal organizations, the bureau and the conference. There was a special committee, of which Mr. Neal was a member, which acted as liaison for this purpose.

The choice of Robert Neal to serve as executive head of the proposed Health Insurance Assn. of America would put the new organization's staff under the direction of a man experienced in trade association administration. Mr. Neal was vice-president and counsel of North American Accident of Chicago before becoming resident counsel at Washington for the bureau and the conference. He was president of the conference in 1952. Appointment of Mr. Neal as Washington counsel was the first significant step to coordinate activities of the major A&H trade organization.

Mr. Neal graduated from Wabash college and Northwestern university

law school, and after two years of private practice in Chicago he entered insurance with North American Accident in 1938 as assistant attorney in the claim department. After service in the navy as a lieutenant commander during World War II, he was appointed counsel for North American, and in 1948 was made vice-president. He has served as a director of Health Insurance Council and is a past chairman of the A&H committee of the insurance section of American Bar Assn. He went to Washington as joint counsel for the conference and bureau about 15 months ago.

Mr. Faulkner is one of the most articulate leaders in the A&H industry. He was presented the A&H "Man of the Year" award this year by International Assn. of A&H Underwriters. He started with Woodmen Central Health in 1931, becoming treasurer the following year, and three years later became assistant to the president of Woodmen Accident. He was elected a vice-president of Woodmen Central Life in 1936, and became president of all three companies in 1938. He has served for eight years on the executive committee of H&A Underwriters Conference, and was president of the conference in 1950. He is a past chairman of the A&H committee of Life Insurance Agency Management Assn., and for two years was president of Insurance Federation of Nebraska. He has been head of the Joint Committee on Health Insurance, and his able presentations of the A&H position before Congress have won him respect outside of the industry ranks.

## UM Cover in New York Gets Lots of Attention

(CONTINUED FROM PAGE 1)

payments and accidental death and dismemberment coverages now available in the state, the editorial says that "Virginia's approach to the problem . . . seems somewhat preferable to New York's. Ours at least is voluntary; a motorist can buy separate accident and medical payment policies if he wants to, or decline to buy them if he wants to take the risk. For any family that drives a good deal, the supplementary coverage now available in Virginia would appear to justify the extra \$10 or so it costs a year." (The implication is that the UM cover in New York is compulsory, which it is not; and, of course, New York motorists—and those in most other places—can buy the MP and accidental D&D covers.)

A Hartford newspaper news story: "New Yorkers are better off, driving in this state than Connecticut drivers, thanks to a new insurance plan," etc. There have been editorial and news comments from many other states—Wisconsin, New Jersey, Pennsylvania, Ohio, Maryland, etc., etc.

One state government official is unofficially quoted as saying that if it takes the threat of compulsory to make the coverage available in his state, he thinks state officials ought to apply the threat of compulsory.

New Jersey still pretty much believes it has met the problem of the financially irresponsible motorist in a satisfactory way, with its unsatisfied claim and judgment fund.

Insurance Women's Club of Washington held a dinner at its October meeting. Richard Mansfield, who has charge of public schools' safety program, spoke.

## Wisconsin Agents Reelect Batenburg, Other Officers

(CONTINUED FROM PAGE 2)

able but pointed out that present rates must be raised first to take care of merit reductions.

"The new auto policy was a disappointment to members of the committee," he said. "It was a step forward, but the committee had hoped for additional coverage such as use of occurrence cover and additional auto cover." He said the FR laws clause should be eliminated and the territorial restrictions broadened to include all of North America.

He urged agents to bring pressure on the National Bureau through associations or member companies. "If agents can't get the best form from member companies, they'll get it from a non-member," he said. "We need the top product, and price will take care of itself."

O. B. Sullivan, attorney for Aetna Casualty at Milwaukee, closed the morning session with a discussion of garage liability. He said the biggest sales argument for garage liability is that no one has a policy that will insure parking station attendants or garage operators while moving their car. "It is the only way a garage owner can insure the car in his custody," he said, "and also obtain products liability coverage without a products liability clause."

The afternoon session opened with a film produced by American of New Jersey. Called, "Sell the Whole Umbrella," it emphasized selling complete family protection.

"Recent developments in the Wisconsin legislature indicate that insurance companies will be pressed for legislation to protect drivers against uninsured motorists," according to Phil Snodgrass, secretary of General Casualty of Madison. He said the adoption of UM cover in New York and other states has set a pattern which is sweeping the midwest. He said Sen. Panzer has introduced a resolution in the Wisconsin senate urging companies "to initiate conferences with a view to relieving the uninsured motorist problem in Wisconsin and reporting to the legislative council."

Mr. Snodgrass reviewed the UM cover in New York and pointed out that the problems were quite different in Wisconsin.

"Our committee has discussed the various plans and have determined that we could not come up with one for Wisconsin," he said. He said the smartest thing for agents and companies to do is to urge delay and wait for another year until they have had an opportunity to watch the five plans now in operation.

Lyle G. Wimmer, secretary of Travelers Indemnity, in an address on U&O and business interruption insurance, said "there is one area of business interruption insurance which is not usually examined for its true worth and definite advantages. This is the valued form of business interruption insurance and it should not be confused with the per diem actual loss sustained form."

He said the basis for determining amounts to be insured under a true valued form is the evaluation of right of use of the specified property which is a component of the entire property interest and as much a property right as the ownership of the physical property itself.

"Thus, this concept of valued form business interruption insurance does

not parallel the purpose of actual loss sustained use and occupancy insurance in that insurance recovery from the valued form is not a substitute for continuing and fixed charges and anticipated net profits which would not be earned because of the insured casualty or disaster," he said. He pointed out the various advantages and favorable tax position of the valued form of business interruption insurance as added incentive to management for its use.

A playlet, "I Can't Believe It," pointed out the advisability of a professional appraisal of a manufacturing firm's fixed assets. The president of the plant, portrayed by Clyde P. Surles of Fidelity Appraisal, finds out the value of appraisals from the insurance company adjuster, played by Wallace Diel of Fidelity, only after his plant has suffered a serious fire loss. The insurance agent of the manufacturing plant, portrayed by Lynn C. Surles of Fidelity, had tried to convince the company president to have an appraisal made before the fire but had no success. When the president learns that the firm was not only underinsured but also a co-insurer, he sees the value of appraisals. The playlet is well-written and gets its point across while providing a light-veined break in the usual heavy schedule of speeches at convention sessions.

Paul Bringe, sales and advertising manager of Milwaukee Dustless Brush Co., concluded the afternoon's sessions with a discussion on use of direct mail. He said direct mail was the strongest method of making friends next to personal contact and urged agents to use it in their sales programs. He said direct mail letters should be on an emotional basis and attempt to sell the agent first and then insurance.

Highlight of the banquet session Tuesday evening was the presentation of the Maryland Casualty local board achievement plaque to the Kenosha association and the introduction of Jon Dalton, winner of WAIA's scholarship award.

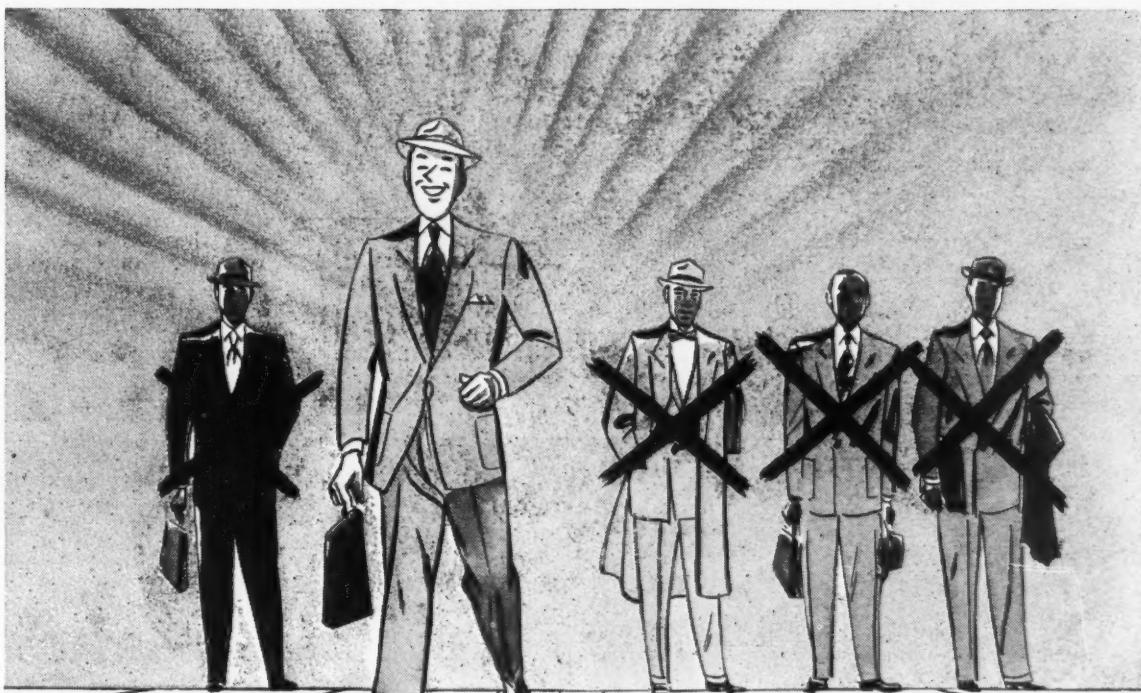
A farm-writing agents breakfast on Wednesday morning featured a discussion of farm liability by Phil Snodgrass, secretary of General Casualty of Madison.

The metropolitan and large lines agents breakfast heard an address on "Retrospective Plan D" by Goodwin Clark Jr., assistant vice-president Continental Casualty of Chicago, and a talk on "Multiple Location Changes" by H. L. Mauritsen, state agent for Fireman's Fund group.

George A. Timm of Kenosha, state national director, presented his report at the final general session Wednesday morning. He praised the standing and special committees of the NAIA and outlined some of their accomplishments and objectives.

"The uninsured motorist cover in New York," he said, "is a type of coverage, which if offered on a nationwide basis, will certainly remove the threat of compulsory insurance." He reviewed the activities of the NAIA convention and the midwest territorial conference and said "A review of the past year should only lead us to believe that with a little elbow grease, good sound thinking and a confident approach to our problems, the American agency system will prove its value and continue to sell its services more than ever before."

A banquet honoring Commissioner Vande Zande concluded the three-day convention. The association again approved Milwaukee as the site of its 1956 convention.



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Too many agents sell individual, isolated policies which give inadequate protection. Thus, they limit their own incomes. A professional agent, however, sells his client a "whole umbrella" of protection—covers *all* of his client's important risks with a *complete* plan. Result? That agent's income knows no bounds.

The pictorial aids and show-how charts in The American Family Protection Plan booklet make your story crystal-clear to a client—show him where his risks are—spotlight the "holes" in his

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on The American Family  
Protection Plan?  
Simply mail  
the coupon below.*



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15 Washington Street, Newark 1, N. J.

Send me *free* details on The American Family Protection Plan—a valuable aid to increased sales volume.

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City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_



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THE  
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HENRY G. CARPENTER, INC.  
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HERSHEY & GIBBEL  
Lititz, Pa.  
  
LAIRD-HAGEE COMPANY  
P. O. Box 142  
Harrisburg, Pa.  
  
SWIGART ASSOCIATES, INC.  
Huntingdon, Pa.  
  
WESTON & WATSON, INC.  
36 Exchange Place  
Providence, R. I.

## SOUTHEASTERN STATES

JOSEPH Y. GAYLE, INC.  
5 South Sixth Street  
Richmond, Va.  
  
G. B. HARRILL  
West Main Street  
Forest City, N. C.  
  
HARRISON ASSOCIATES, INC.  
Law Building  
Richmond, Va.  
  
KELLEHER & ASSOCIATES, INC.  
207 Hawthorne Lane  
Charlotte, N. C.  
  
KIBLER GENERAL AGENCY, INC.  
205 W. Franklin St.  
Richmond, Va.  
  
LAGERQUIST & CO., (Limited)  
275 Buckhead Ave.  
Atlanta, Ga.  
  
FRANK R. MacNEILL & SON  
1032 S. W. First Street  
Miami, Florida  
  
MARSHALL GENERAL AGENCY, INC.  
P. O. Box 447  
Charlotte 1, N. C.  
  
PERRY MOSES & SON  
Sumter, S. C.  
  
W. J. PERRYMAN & CO., INC.  
410 North 21st Street  
Birmingham, Ala.

JOHN RATTERREE & COMPANY  
Greer, S. C.

U. S. UNDERWRITERS, INC.  
1801 Coral Way  
Miami, 45, Fla.

ZACHARY GENERAL AGENCY  
Allen Building  
Greenville, S. C.

## SOUTHWESTERN STATES

ASSOCIATED AGENCIES, INC.  
114 West 10th Street  
Kansas City, Mo.  
  
CORBYN AND COMPANY  
2920 Classen Boulevard  
Oklahoma, City, Okla.  
  
DIAL-DAVIS & CO.  
826 Wilson Building  
Dallas, Texas  
  
BILL HARRIS & CO.  
901½ University Drive  
Fort Worth, Texas  
  
LEWIS & NORWOOD  
406 Exchange Bank  
Little Rock, Arkansas  
  
MUTUAL UNDERWRITERS  
P. O. Box 14  
Fayetteville, Ark.  
  
OKLAHOMA GENERAL AGENCY  
402 N. Hudson St.  
Oklahoma City, Okla.  
  
THOMAS M. RYAN & CO.  
301 East 5th Street  
Fort Worth 2, Texas  
  
JOE C. WEST & CO.  
6603 Snyder Plaza  
Dallas 5, Texas

## CENTRAL, NORTHWESTERN & WESTERN STATES

AMERICAN ALL-RISKS, INC.  
52 Market Avenue, N. W.  
Grand Rapids 2, Michigan

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